

Appendix A

Intercompany and Non-Cash Transfers Analysis

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Intercompany and Non-Cash Transfers Analysis

May 27, 2020

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I. Intercompany and Non-Cash Transfers Analysis – Objectives and Procedures

I. Intercompany and Non-Cash Transfers Analysis – Objectives

At the direction of the Special Committee of the Board of Directors of Purdue Pharma Inc. (the "Special Committee") and Davis Polk & Wardwell LLP ("Counsel"), AlixPartners, LLP ("AlixPartners") has performed a comprehensive intercompany and non-cash transfers analysis.

- This report (the "Intercompany and Non-Cash Transfers Report") sets forth the results of AlixPartners' intercompany and non-cash transfers analysis (the "Intercompany and Non-Cash Transfers Analysis") based on the identification and quantification of significant transfers of value on or after January 1, 2008 made as non-cash transfers and cash payments for goods, services and other consideration among Purdue, its parent, Pharmaceutical Research Associates L.P. ("PRA L.P."), independent associated companies ("IACs"),¹ and Rhodes, as explained in greater detail on the following page.²
- Cash distributions, compensation, legal expenses, pension benefits, travel and expense reimbursements, and other benefits transferred between Purdue, Rhodes, or subsidiaries, on the one hand, and Purdue and Rhodes parent entities (including PRA L.P.), beneficial shareholders, members of the Sackler family or IACs, on the other hand, are discussed separately in our "Cash Transfers of Value Report."

¹IACs refers to companies where the Sackler family owns a controlling interest.

²Other capitalized terms, such as "Purdue" and "Rhodes," are defined on the following page.

I. Intercompany and Non-Cash Transfers Analysis – Objectives

The objectives of the Intercompany and Non-Cash Transfers Analysis were to:

1. Identify, quantify, and document the amount of all significant cash payments¹ for goods, services, and other consideration (including, but not limited to, royalties, licensing of rights, business services, and rent) transferred from January 1, 2008 to September 15, 2019 (regardless of the direction of the payment) between:
 - a. Purdue Pharma L.P. (“PPLP”) together with its subsidiaries (collectively, “Purdue”) and IACs;
 - b. Rhodes Technologies (“Rhodes Tech”), Rhodes Pharmaceuticals L.P. (“Rhodes Pharma”) (collectively, “Rhodes”) and IACs; and
 - c. Purdue and Rhodes.²
 2. Identify, quantify, and document the amount of all significant non-cash transfers from Purdue to its parent entity, Pharmaceutical Research Associates L.P., and/or its previous parent entities (such as Purdue Holdings L.P. and PLP Associates Holdings L.P.) (collectively, “PRA L.P.”).^{3,4}
- AlixPartners has not been asked by the Special Committee or Counsel to perform an assessment of the reasonableness or fair market value of each intercompany or non-cash transfer.

¹Includes transactions settled with cash payments as well as intercompany accruals (see slide 17 for additional information regarding these intercompany accruals).

²Although Rhodes is currently a subsidiary of Purdue, from January 1, 2008 through May 2019, it was not a subsidiary.

³Prior to 2010, PLP Associates Holdings L.P. was Purdue's direct parent entity.

⁴Prior to 2018, PRA L.P. was known as “Purdue Holdings L.P.”

I. Intercompany and Non-Cash Transfers Analysis – Procedures

In order to achieve the objectives of the Intercompany and Non-Cash Transfers Analysis, we reviewed and relied upon the following sources of information from Purdue, Rhodes, and TXP Services Inc. ("TXP")¹:

1. Entity organizational charts;
2. SAP accounting system information (see **Appendix 1** for a description of the relevant SAP company codes and general ledger accounts);
3. Audited financial statements;
4. Internal financial statements, reports, schedules and/or SAP accounting records for PPLP, Rhodes, and other entities in which the Sackler Family members own a controlling interest or which are operated or owned for their benefit (collectively, "Affiliated Entities," including IACs) whose books and records are maintained in the same SAP accounting system as PPLP and Rhodes;
5. Documentation evidencing, supporting or relating to the intercompany and non-cash transfers made by Purdue, Rhodes and the IACs;
6. The October 19, 2018 presentation prepared by Purdue for the Opioid Multidistrict Litigation ("MDL") in the Northern District of Ohio (the "October 19, 2018 MDL Presentation");
7. Purdue, Rhodes, and TXP employees; and
8. The Statements of Financial Affairs and Schedules of Assets and Liabilities filed with the United States Bankruptcy Court for the Southern District of New York in October of 2019.

See **Appendix 2** for a complete list of information and documents relied upon.

¹TXP is an IAC that provides accounting and other administrative services to Purdue and PPI.

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II. Executive Summary

II. Executive Summary

Our analysis identified 37 categories of transfers involving Purdue, Rhodes, the IACs, and PRA L.P. from January 1, 2008 through September 15, 2019 (27 intercompany and 10 non-cash transfers).

| Payments From | Payments To | Categories of Transfers | Amount |
|---------------|-------------|-------------------------|----------------|
| Purdue | IACs | 14 | \$ 667,864,826 |
| Purdue | Rhodes | 1 | 644,442,441 |
| Rhodes | Purdue | 5 | 425,483,519 |
| Rhodes | IACs | 1 | 5,251,087 |
| IACs | Purdue | 4 | 683,503,568 |
| IACs | Rhodes | 2 | 140,778,999 |

The amounts reflected in the table above and throughout this report represent the gross amounts paid in connection with the intercompany transfers between Purdue and the IACs, Purdue and Rhodes, and Rhodes and the IACs. These amounts do not take into account the value of any goods, services, or other consideration received in exchange for these payments.

The 10 non-cash transfers from Purdue to PRA L.P., not included in the table above, totaled \$410.3 million.

II. Executive Summary – Transfers Between Purdue and IACs

From January 1, 2008 to September 15, 2019, the total amount paid by Purdue to the IACs in connection with the intercompany transfers identified below was \$667.9 million.¹

The total amount paid by the IACs to Purdue in connection with the intercompany transfers identified below for the same period was \$683.5 million.

| Exhibit | Payments From | Payments To | Description | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|---------------------------|---------------|---|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| 1A | Purdue | Mundipharma International Limited (USA) | Manufacturing services support | | | | | | | | | | | | | |
| 1B | Purdue | One Stamford Realty L.P. | Office space and admin services | 12,507,183 | 8,207,931 | 8,534,562 | 8,535,468 | 8,496,288 | 8,481,795 | 8,173,413 | 8,232,156 | 8,564,790 | 1,697,519 | 2,612,601 | \$ 1,369,165 | \$ 7,888,023 |
| 1C | Purdue | Purdue Pharma Technologies Inc. | Audit, security & EHS services | 12,265,934 | 13,375,232 | 14,969,462 | 15,642,715 | 14,774,311 | 11,471,790 | 8,757,337 | 8,880,547 | n/a | 8,560,351 | 9,502,860 | 7,432,750 | 105,030,067 |
| 1D | Purdue | Purdue Pharma Technologies Inc. | Finished products from 3rd parties | 5,760,344 | 11,802,711 | 11,092,517 | 15,467,233 | 32,866,935 | 26,307,510 | 24,181,836 | 20,311,089 | n/a | n/a | n/a | n/a | 100,137,228 |
| 1E | Purdue | The P.F. Laboratories | CMO services | 11,023,534 | 4,644,144 | 1,345,295 | 732,908 | 419,424 | 239,188 | 305,459 | n/a | n/a | n/a | n/a | n/a | 182,124,228 |
| 1F | Purdue | The TerraMar Foundation, Inc. | Office space | 1,587,939 | 1,838,978 | 1,734,105 | 2,035,838 | 1,966,874 | 2,737,930 | 2,351,373 | 2,198,353 | 2,310,188 | 2,250,159 | 1,184,649 | n/a | 18,709,951 |
| 1G | Purdue | TXP Services Inc. | Financial and tax services | 1,038,363 | 971,339 | 1,876,315 | 1,908,805 | 1,870,552 | 1,849,805 | 1,262,983 | 1,226,247 | 1,388,196 | 1,555,265 | 2,502,912 | 2,559,793 | 22,196,386 |
| 1H | Purdue | Mundipharma Research Limited | R&D services | 15,325,659 | 8,404,405 | 5,799,177 | 3,333,509 | 3,988,844 | 3,283,531 | 6,323,734 | 6,515,115 | 10,027,865 | 10,661,390 | 5,798,491 | 1,055,733 | 80,010,575 |
| 1I | Purdue | Mundipharma EDO GmbH | R&D services | n/a | n/a | n/a | n/a | n/a | 272,178 | 5,006,885 | 2,449,651 | 2,676,142 | 5,927,652 | 10,841,236 | 4,343,161 | 31,516,905 |
| 1J | Purdue | Mundipharma A.G. | Consulting and legal services | n/a | n/a | n/a | n/a | 167,615 | 514,175 | 767,271 | 599,419 | 596,235 | 1,146,881 | 756,514 | n/a | 4,548,110 |
| 1K | Purdue | Mundipharma A.G. | MS Contin royalties | - | 2,060,321 | 2,260,071 | 1,221,709 | 1,176,121 | 1,068,485 | 1,057,009 | 893,858 | 1,169,133 | 187,567 | n/a | n/a | 11,004,385 |
| 1L | Purdue | Pharmaceutical Research Associates Inc. | Brandine and Senokott royalties | 2,542,015 | 1,771,497 | 2,112,558 | 1,992,739 | 1,700,138 | 2,036,722 | 1,785,568 | 1,833,050 | 1,836,701 | 1,766,378 | 1,968,093 | 1,482,404 | 22,829,863 |
| 1M | Purdue | Purdue Pharma Canada | Manufacturing and packaging services | n/a | 1,794,542 | 2,466,513 | 2,307,198 | 5,409,689 | 5,243,004 | 4,518,539 | 3,727,388 | 3,271,075 | 4,037,991 | 4,233,057 | 4,023,588 | 41,092,586 |
| 1N | Purdue | Purdue Pharma Canada | Adhensa assets | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | \$4,909,566 | 15,338,000 | 20,247,566 |
| Subtotal - Purdue to IACs | | | | \$ 62,050,972 | \$ 54,871,100 | \$ 52,190,576 | \$ 53,178,122 | \$ 72,837,010 | \$ 63,506,124 | \$ 64,491,407 | \$ 56,776,872 | \$ 55,441,148 | \$ 50,846,923 | \$ 44,169,979 | \$ 37,504,593 | \$ 667,864,825 |
| 1O | E.R.G. Realty | Purdue | Loan | 427,330 | 415,930 | 237,927 | 234,310 | 356,892 | 348,400 | 340,200 | 332,000 | 349,002 | 339,780 | 1,759,611 | n/a | 5,141,382 |
| 1P | Various IACs | Purdue | Accounting, HR & similar services | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1Q | Foreign IACs | Purdue | Finished products | 1,970,427 | 1,714,390 | 1,945,014 | 2,135,280 | 2,517,290 | 2,210,809 | 17,858,921 | 7,990,859 | 6,205,309 | 4,895,976 | 4,197,159 | 3,003,145 | 56,644,278 |
| 1R | Foreign IACs | Purdue | Oxycontin royalty payments | 75,621,465 | 75,948,501 | 84,636,599 | 91,211,160 | 83,818,887 | 48,359,824 | 46,362,538 | 38,851,998 | 36,183,124 | 15,154,985 | 14,817,759 | 10,742,769 | 621,717,008 |
| Subtotal - IACs to Purdue | | | | \$ 78,019,222 | \$ 78,078,821 | \$ 86,819,540 | \$ 93,582,750 | \$ 86,693,069 | \$ 50,919,033 | \$ 64,561,658 | \$ 47,174,856 | \$ 42,743,435 | \$ 20,390,741 | \$ 20,774,528 | \$ 13,745,914 | \$ 683,503,568 |

Additional details regarding these intercompany transfers are provided in Exhibits 1A – 1R of this Report.

¹Amounts included throughout this report represent approximates and may include rounding differences. Certain intercompany transfers (i.e., 1C-1G, 1L, and 1R) were accounted for through intercompany charges (i.e., intercompany accruals). See slide 17 for additional information regarding these intercompany accruals.

II. Executive Summary – Transfers Between Rhodes and IACs

From January 1, 2008 to September 15, 2019, Rhodes received a total of \$140.8 million from the IACs in connection with the intercompany transfers described below.

The total amount paid by Rhodes to the IACs in connection with the intercompany transfers identified below for the same period was \$5.3 million.

| Exhibit | Payments From | Payments To | Description | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|---------|----------------------------------|-------------------------------|-----------------------------|--------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|
| 2A | Various IACs | Rhodes Tech | API purchases | \$ 8,943,253 | \$ 7,012,542 | \$ 12,628,858 | \$ 14,064,482 | \$ 12,611,313 | \$ 6,332,936 | \$ 11,745,047 | \$ 10,763,503 | \$ 15,073,449 | \$ 20,232,476 | \$ 11,678,712 | \$ 9,656,767 | \$ 140,743,038 |
| 2B | Foreign IACs | Rhodes Tech | LAM region finished product | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | \$ 35,961 | n/a | n/a | n/a | \$ 35,961 |
| | | | | \$ 8,943,253 | \$ 7,012,542 | \$ 12,628,858 | \$ 14,064,482 | \$ 12,611,313 | \$ 6,332,936 | \$ 11,745,047 | \$ 10,763,503 | \$ 15,109,110 | \$ 20,232,476 | \$ 11,678,712 | \$ 9,656,767 | \$ 140,778,999 |
| | Subtotal - IACs to Rhodes Tech | | | | | | | | | | | | | | | |
| 2C | Rhodes Pharma | Mundipharma Laboratories GmbH | Theophylline | n/a | n/a | n/a | n/a | 212,796 | 506,934 | 197,148 | 407,928 | 1,535,881 | 518,260 | 1,368,630 | 503,510 | 5,251,087 |
| | Subtotal - Rhodes Pharma to IACs | | | n/a | n/a | n/a | n/a | 212,796 | 506,934 | 197,148 | 407,928 | 1,535,881 | 518,260 | 1,368,630 | 503,510 | 5,251,087 |

Additional details regarding these intercompany transfers are provided in Exhibits 2A – 2C of this Report.

II. Executive Summary – Transfers Between Rhodes and Purdue

From January 1, 2008 to September 15, 2019, the total amount paid by Rhodes to Purdue in connection with the intercompany transfers identified below was \$425.5 million.

The total amount paid by Purdue to Rhodes in connection with the intercompany transfers identified below for the same period was \$644.4 million.

| Exhibit | Payments From | Payments To | Description | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|---------|------------------------------------|-------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|
| 3A | Rhodes Pharma | Purdue | CMO services | n/a | n/a | n/a | \$ 17,715,879 | \$ 16,328,283 | \$ 20,957,916 | \$ 27,913,948 | \$ 28,333,693 | \$ 39,197,037 | \$ 41,242,003 | \$ 51,499,136 | \$ 47,452,993 | \$ 290,640,888 |
| 3B | Rhodes | Purdue | IT, benefit, distribution & development services | 614,157 | 2,617,172 | 2,021,638 | 3,179,619 | 3,387,299 | 3,510,246 | 3,631,699 | 5,812,386 | 7,873,883 | 9,036,033 | 8,929,007 | 6,094,845 | 56,607,982 |
| 3C | Rhodes Pharma | Purdue | Dilaudid generic & branded license | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3D | Rhodes Pharma | Purdue | Morphine Sulfate Extended Release rights | - | - | - | 1,228,841 | - | - | - | - | - | - | - | - | 1,228,841 |
| 3E | Rhodes Pharma | Purdue | Butran AG profit-sharing | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 15,568,950 | 45,764,450 | 15,672,407 | 77,005,807 |
| | Subtotal - Rhodes to Purdue | | | \$ 614,157 | \$ 2,617,172 | \$ 2,021,638 | \$ 22,124,339 | \$ 19,615,582 | \$ 24,468,162 | \$ 31,545,647 | \$ 34,146,079 | \$ 47,070,920 | \$ 65,846,986 | \$ 106,192,093 | \$ 69,220,245 | \$ 425,483,519 |
| 3F | Purdue | Rhodes Tech | API purchases | 71,259,517 | 77,620,161 | 70,564,728 | 54,140,369 | 54,369,829 | 52,971,362 | 52,215,588 | 33,726,418 | 42,913,190 | 44,207,976 | 45,410,456 | 45,042,850 | 644,442,441 |
| | Subtotal - Purdue to Rhodes | | | \$ 71,259,517 | \$ 77,620,161 | \$ 70,564,728 | \$ 54,140,369 | \$ 54,369,829 | \$ 52,971,362 | \$ 52,215,588 | \$ 33,726,418 | \$ 42,913,190 | \$ 44,207,976 | \$ 45,410,456 | \$ 45,042,850 | \$ 644,442,441 |

Additional details regarding these intercompany transfers are provided in Exhibits 3A – 3F of this Report.

¹Certain intercompany transfers (i.e., 3A-3B and 3E-3F) were accounted for through intercompany charges (i.e., intercompany accruals). See slide 17 for additional information regarding these intercompany accruals.

II. Executive Summary – Transfers Between Purdue and PRA L.P.

Total non-cash transfers from Purdue to PRA L.P. from January 1, 2008 to September 15, 2019 were \$410.3 million.

| Exhibit | Transfer From | Transfer To | Description | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------------|---------------|-------------|---|----------------------|----------------------|----------------------|------------|------------|-----------------------|---------------------|------------|------------|----------------------|------------|------------|-----------------------|
| 4A | Purdue | PRA L.P. | Equity of Coventry Technologies L.P. | \$ 52,328,000 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | \$ 52,328,000 |
| 4B | Purdue | PRA L.P. | Stock of Infinity Pharmaceuticals, Inc. | 21,160,000 | 11,830,000 | n/a | n/a | n/a | 230,095,681 | n/a | n/a | n/a | n/a | n/a | n/a | 263,085,681 |
| 4C | Purdue | PRA L.P. | Equity of Millisaw Realty L.P. | n/a | 7,412,000 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 7,412,000 |
| 4D | Purdue | PRA L.P. | Stock of Kolltan Pharmaceuticals | n/a | 12,950,000 | n/a | n/a | n/a | n/a | 2,170,802 | n/a | n/a | n/a | n/a | n/a | 15,120,802 |
| 4E | Purdue | PRA L.P. | Stock of Novelos Therapeutics, Inc. | n/a | 23,140,097 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 23,140,097 |
| 4F | Purdue | PRA L.P. | Equity of Lucien Holdings S.ar.l. | n/a | n/a | (542,000) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | (542,000) |
| 4G | Purdue | PRA L.P. | Equity of New Suffolk Holdings LLP | n/a | n/a | 32,761,081 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 32,761,081 |
| 4H | Purdue | PRA L.P. | Rights to non-ADF OxyContin | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | - | n/a | n/a | - |
| 4I | Purdue | PRA L.P. | Rights to Dilaudid | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 16,966,491 | n/a | n/a | 16,966,491 |
| 4J | Purdue | PRA L.P. | Rights to MS Contin | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | - | n/a | n/a | - |
| Total - Purdue to PRA L.P. | | | | \$ 73,488,000 | \$ 55,332,097 | \$ 32,219,081 | n/a | n/a | \$ 230,095,681 | \$ 2,170,802 | n/a | n/a | \$ 16,966,491 | n/a | n/a | \$ 410,272,152 |

All amounts in the table above represent the value attributed to the transfers in Purdue's accounting records and may not reflect the transfers' fair market value. Purdue did not receive any cash consideration for these transfers.

Details regarding these transfers are provided in Exhibits 4A – 4J of this report.

Notes:

4A: The Cash Distribution Reconciliation table in the Cash Transfers of Value Report excludes \$0.3 million in retained earnings and \$0.8 million of accumulated other comprehensive income which are included in the non-cash transfer of Coventry Technologies L.P.

4D: The amount for 2014 includes \$10,722 in cash payments from Purdue to PRA L.P.

II. Executive Summary – Intercompany Charges

For the transfers listed in the table below, Purdue, Rhodes, and the IACs incurred intercompany charges (i.e., I/C accruals) which were settled periodically on a net basis instead of with individual cash payments.¹ 69% of the activity identified in this report to date was accounted for through intercompany charges.²

| Transfers Between Purdue and IACs | | | | | |
|-----------------------------------|---------------|--|------------------------------------|---------------|----------------|
| Exhibit | Payments From | Payments To | Description | Activity Type | Total |
| 1C | Purdue | Purdue Pharma Technologies Inc. | Audit, security & EHS services | I/C Charges | \$ 100,137,928 |
| 1D | Purdue | Purdue Pharma Technologies Inc. | Finished products from 3rd parties | I/C Charges | 182,124,228 |
| 1E | Purdue | The P.F. Laboratories | CMO services | I/C Charges | 18,709,951 |
| 1F | Purdue | The Terramar Foundation, Inc. | Office space | I/C Charges | 22,196,386 |
| 1G | Purdue | TXP Services Inc. | Financial and tax services | I/C Charges | 20,010,575 |
| 1L | Purdue | Pharmaceutical Research Associates, Inc. | Betadine and Senokot royalties | I/C Charges | 22,829,863 |
| 1R | Foreign IACs | Purdue | Oxycontin royalty payments | I/C Charges | 621,717,608 |

| Transfers Between Rhodes and Purdue | | | | | |
|-------------------------------------|---------------|-------------|--|---------------|----------------|
| Exhibit | Payments From | Payments To | Description | Activity Type | Total |
| 3A | Rhodes Pharma | Purdue | CMO services | I/C Charges | \$ 290,640,888 |
| 3B | Rhodes | Purdue | IT, benefit, distribution & development services | I/C Charges | 56,607,982 |
| 3D | Rhodes Pharma | Purdue | Morphine Sulfate Extended Release rights | I/C Charges | 1,228,841 |
| 3E | Rhodes Pharma | Purdue | Butran AG profit-sharing | I/C Charges | 77,005,807 |
| 3F | Purdue | Rhodes Tech | API purchases | I/C Charges | 644,442,441 |

Figures quantified above and throughout this report, in connection with the intercompany accruals, represent the total amount charged in connection with goods and services listed, and do not reflect cash payments effected to settle intercompany charges.

As of the date of this report, AlixPartners is awaiting additional information from TXP to verify and/or update the accuracy of certain information contained herein. See **Appendix 3** for the status of AlixPartners' review.

¹"Intercompany charges" refer to amounts recognized in accounting records as a payable or receivable, as opposed to a cash payment.
²69% represents the percentage of the total amount of activity identified for all transaction categories (i.e., transfer from Purdue to IACs, etc.) that was charged to intercompany accounts.

II. Executive Summary – Contracts

The table below summarizes the transfers for which a contract covering all or part the activity has been identified. Full or partial contracts have been identified for 28 of 37 categories of transfers.

| Exhibit | Transfer From | Transfer To | Description | Contract Identified? |
|---------|---------------|--|--|----------------------|
| 1A | Purdue | Mundipharma International Limited (USA) | Manufacturing services support | Yes |
| 1B | Purdue | One Stamford Realty L.P. | Office space and admin services | Yes |
| 1C | Purdue | Purdue Pharma Technologies, Inc. | Audit, security & EHS services | Partial |
| 1D | Purdue | Purdue Pharma Technologies, Inc. | Finished products from 3rd parties | Yes |
| 1E | Purdue | The P.F. Laboratories | CMO services | Yes |
| 1F | Purdue | The Terramar Foundation, Inc. | Office space | Yes |
| 1G | Purdue | TXP Services Inc. | Financial and tax services | Yes |
| 1H | Purdue | Mundipharma Research Limited | R&D services | Yes |
| 1I | Purdue | Mundipharma EDO GmbH | R&D services | Yes |
| 1J | Purdue | Mundipharma International Limited (UK) | Consulting and legal services | Yes |
| 1K | Purdue | Mundipharma A.G. | MS Contin royalties | Yes |
| 1L | Purdue | Pharmaceutical Research Associates, Inc. | Betadine and Senokot royalties | Yes |
| 1M | Purdue | Purdue Pharma Canada | Manufacturing and packaging services | Yes |
| 1N | Purdue | Purdue Pharma Canada | Adhansia assets | Yes |
| 1O | E.R.G. Realty | Purdue | Loan | Yes |
| 1P | Various IACs | Purdue | Accounting, HR & similar services | No |
| 1Q | Foreign IACs | Purdue | Finished products | No |
| 1R | Foreign IACs | Purdue | Oxycontin royalty payments | Yes |
| 2A | Various IACs | Rhodes Tech | API purchases | No |
| 2B | Foreign IACs | Rhodes Tech | LAM region finished product | No |
| 2C | Rhodes Pharma | Mundipharma Laboratories GMBH | Theophylline | Yes |
| 3A | Rhodes Pharma | Purdue | CMO services | Yes |
| 3B | Rhodes | Purdue | IT, benefit, distribution & development services | No |
| 3C | Rhodes Pharma | Purdue | Dilaudid generic & branded license | No |
| 3D | Rhodes Pharma | Purdue | Morphine Sulfate Extended Release rights | No |
| 3E | Rhodes Pharma | Purdue | Butran AG profit-sharing | Yes |
| 3F | Purdue | Rhodes Tech | API purchases | No |
| 4A | Purdue | PRA L.P. | Equity of Coventry Technologies L.P. | Yes |
| 4B | Purdue | PRA L.P. | Infinity Pharmaceuticals, Inc. | Yes |
| 4C | Purdue | PRA L.P. | Millsaw Realty L.P. | Yes |
| 4D | Purdue | PRA L.P. | Kolltan Pharmaceuticals | Yes |
| 4E | Purdue | PRA L.P. | Novelos Therapeutics, Inc. | Yes |
| 4F | Purdue | PRA L.P. | Lucien Holdings S.a.r.l | Partial |
| 4G | Purdue | PRA L.P. | New Suffolk Holdings LLP | Yes |
| 4H | Purdue | PRA L.P. | Non-ADF OxyContin | Yes |
| 4I | Purdue | PRA L.P. | Dilaudid | Yes |
| 4J | Purdue | PRA L.P. | MS Contin | No |
| | | | | Yes: 26 |
| | | | | Partial: 2 |
| | | | | No: 9 |
| | | | | Total: 37 |

II. Executive Summary – Reconciliation of Intercompany Transfers with the October 19, 2018 MDL Presentation

The table below compares the amounts of intercompany transfers reflected in the October 19, 2018 MDL Presentation with the results of AlixPartners' analysis.¹

| Exhibit | | | | Payments From | Payments To | Description | 2016 (\$ millions) | | | 2017 (\$ millions) | | | Net Difference | | | |
|---------|---------------|---|--------------------------------------|---------------|-------------|-------------|--------------------|--------------|------------|--------------------|----------------|------------|----------------|-------|-----|-------|
| | | | | | | | MDL | AlixPartners | Difference | MDL | AlixPartners | Difference | | | | |
| 1A | Purdue | Mundipharma International Limited (US) | Manufacturing services support | | | | \$ | 1.7 | \$ | 2.3 | \$ | 2.2 | \$ | 0.5 | \$ | (0.1) |
| 1B | Purdue | One Stamford Realty L.P. | Office space | | | | Not quantified | 8.6 | n/a | | 7.2 | 8.6 | n/a | (1.4) | \$ | n/a |
| 1C | Purdue | Purdue Pharma Technologies Inc. | Audit, security & EHS services | | | | Not quantified | n/a | n/a | | Not quantified | n/a | n/a | n/a | n/a | n/a |
| 1D | Purdue | Purdue Pharma Technologies Inc. | Finished products from 3rd parties | | | | 21.3 | 21.3 | - | | 13.1 | 13.1 | - | - | - | - |
| 1E | Purdue | The P.F. Laboratories | CMO services | | | | Not quantified | n/a | n/a | | Not quantified | n/a | n/a | n/a | n/a | n/a |
| 1F | Purdue | The Terramar Foundation, Inc. | Office space | | | | Not quantified | 2.3 | n/a | | 2.3 | 2.3 | n/a | - | - | - |
| 1G | Purdue | TXP Services Inc. | Financial and tax services | | | | 1.4 | 1.4 | - | | 1.6 | 1.6 | - | - | - | - |
| 1H | Purdue | Mundipharma Research Limited | R&D services | | | | 9.3 | 10.0 | (0.7) | | 8.3 | 10.7 | (2.4) | (3.1) | \$ | (3.1) |
| 1I | Purdue | Mundipharma EDO GmbH | R&D services | | | | 4.2 | 7.1 | 2.7 | | 5.9 | 1.5 | 1.2 | 2.7 | \$ | 2.7 |
| 1J | Purdue | Mundipharma International Limited (UK) | Consulting and legal services | | | | 0.5 | 0.6 | (0.1) | | 0.9 | 1.1 | (0.2) | (0.3) | \$ | (0.3) |
| 1K | Rhodes | Mundipharma A.G. | MS Contin royalties | | | | Not quantified | 1.2 | n/a | | Not quantified | 0.2 | n/a | n/a | n/a | n/a |
| 1L | Purdue | Pharmaceutical Research Associates Inc. | Betadine and Senokot royalties | | | | Not quantified | 0.0 | n/a | | 1.8 | 1.8 | - | - | - | - |
| 1M | Purdue | Purdue Pharma Canada | Manufacturing and packaging services | | | | Not quantified | 3.3 | n/a | | Not quantified | 4.0 | n/a | n/a | n/a | n/a |
| 1N | Purdue | Purdue Pharma Canada | Adhansia assets | | | | Not quantified | n/a | n/a | | Not quantified | n/a | n/a | n/a | n/a | n/a |
| 1O | E.R.G. Realty | Purdue | Loan | | | | Not quantified | 0.3 | n/a | | Not quantified | 0.3 | n/a | n/a | n/a | n/a |
| 1P | Various IACs | Purdue | Accounting, HR & similar services | | | | Not quantified | \$ | - | | Not quantified | \$ | - | n/a | n/a | n/a |
| 1Q | Foreign IACs | Purdue | Finished products | | | | 6.2 | 6.2 | - | | 4.9 | 4.9 | - | - | - | - |
| 1R | Foreign IACs | Purdue | Oxycontin royalty payments | | | | 36.3 | 36.2 | 0.1 | | 15.3 | 15.2 | 0.1 | 0.1 | \$ | 0.2 |

| Exhibit | | | | Payments From | Payments To | Description | 2016 (\$ millions) | | | 2017 (\$ millions) | | | Net Difference | | | |
|---------|---------------|-------------------------------|-----------------------------|---------------|-------------|-------------|--------------------|--------------|------------|--------------------|----------------|------------|----------------|-----|-----|-----|
| | | | | | | | MDL | AlixPartners | Difference | MDL | AlixPartners | Difference | | | | |
| 2A | Various IACs | Rhodes Tech | API purchases | | | | Not quantified | \$ | 15.1 | n/a | Not quantified | \$ | 20.2 | n/a | n/a | n/a |
| 2B | Foreign IACs | Rhodes Tech | LAM region finished product | | | | Not quantified | 0.0 | n/a | | Not quantified | n/a | n/a | n/a | n/a | n/a |
| 2C | Rhodes Pharma | Mundipharma Laboratories GMBH | Theophylline | | | | Not quantified | 1.5 | n/a | | Not quantified | 0.5 | n/a | n/a | n/a | n/a |

| Exhibit | | | | Payments From | Payments To | Description | 2016 (\$ millions) | | | 2017 (\$ millions) | | | Net Difference | | | |
|---------|---------------|-------------|--|---------------|-------------|-------------|--------------------|--------------|------------|--------------------|----------------|------------|----------------|--------|----|--------|
| | | | | | | | MDL | AlixPartners | Difference | MDL | AlixPartners | Difference | | | | |
| 3A | Rhodes Pharma | Purdue | CMO services | | | | \$ | 43.6 | \$ | 39.2 | \$ | 41.2 | \$ | 4.4 | \$ | 4.4 |
| 3B | Rhodes | Purdue | IT, benefit, distribution & development services | | | | 7.2 | 7.9 | (0.7) | | 8.5 | 9.0 | (0.5) | (1.2) | \$ | (1.2) |
| 3C | Rhodes Pharma | Purdue | Dilaudid generic & branded license | | | | Not quantified | - | n/a | | Not quantified | - | n/a | n/a | - | - |
| 3D | Rhodes Pharma | Purdue | Morphine Sulfate Extended Release rights | | | | Not quantified | n/a | n/a | | - | - | - | n/a | - | - |
| 3E | Rhodes Pharma | Purdue | Butran AG profit-sharing | | | | Not quantified | n/a | n/a | | 15.6 | 15.6 | - | - | - | - |
| 3F | Purdue | Rhodes Tech | API purchases | | | | 42.9 | 42.9 | - | | 30.4 | 44.2 | (13.8) | (13.8) | \$ | (13.8) |

Notes:

1A: The amounts in the October 19, 2018 MDL Presentation appear to be transposed for 2016 and 2017.

1I: The amounts in the October 19, 2018 MDL Presentation were compiled based on accounts payable payment dates, whereas our review compiled amounts based on accounts payable posting dates. The total amount from 2008 to 2019 is unaffected regardless of the method used.

1J: The amounts in the October 19, 2018 MDL Presentation excluded amounts paid for reimbursed meeting expenses and were compiled based on invoiced amounts, whereas our review compiled amounts based on payments net of any realized FX gain or loss. If these adjustments are included, the amount reconciles to our review but for rounding errors.

1R: The amounts in the October 19, 2018 MDL Presentation do not appear to take into consideration amounts deducted and retained from royalties by Pharma Associates L.P. under an agreement with PPLP. If these deductions are included, the amount reconciles to our review.

3A: The 2016 amount in the October 19, 2018 MDL Presentation does not appear to include adjustments made in order to reconcile actual cost of services to the contractually agreed upon cost of services. If these adjustments are included, the amount reconciles to our review.

3B: The amounts in the October 19, 2018 MDL Presentation do not take into consideration \$1.0 million in Drug Safety and R&D charges. If these adjustments are included, the amount reconciles to our review but for rounding errors.

3F: Per discussions with and documents from Rhodes, the 2017 amount of \$30.4 million is incorrect. The correct amount is \$44.2 million.

¹Not quantified" indicates that the October 19, 2018 MDL Presentation did not present an amount for this intercompany transfer;

n/a indicates that there is currently no information available to AlixPartners or a difference cannot be calculated. The October 19, 2018 MDL Presentation discloses amounts for only 2016 and 2017.

II. Executive Summary – Reconciliation of Non-Cash Transfers with the October 19, 2018 MDL Presentation

The table below compares the amounts for non-cash transfers contained in the October 19, 2018 MDL Presentation with the results of AlixPartners' review.

| Exhibit | Transfer From | Transfer To | Description | Year | MDL (\$ millions) | AlixPartners (\$ millions) | Difference |
|---------|---------------|-------------|--|------|-------------------|----------------------------|------------|
| 4A | Purdue | PRA L.P. | Equity of Coventry Technologies L.P. | 2008 | \$ 52.3 | \$ 52.3 | \$ - |
| 4B | Purdue | PRA L.P. | Stock of Infinity Pharmaceuticals, Inc | 2008 | 21.2 | 21.2 | - |
| 4B | Purdue | PRA L.P. | Stock of Infinity Pharmaceuticals, Inc | 2009 | 11.8 | 11.8 | - |
| 4B | Purdue | PRA L.P. | Stock of Infinity Pharmaceuticals, Inc | 2013 | 230.1 | 230.1 | - |
| 4C | Purdue | PRA L.P. | Equity of Millisaw Realty L.P. | 2009 | 7.4 | 7.4 | - |
| 4D | Purdue | PRA L.P. | Stock of Kolltan Pharmaceuticals | 2009 | 13.0 | 13.0 | - |
| 4D | Purdue | PRA L.P. | Stock of Kolltan Pharmaceuticals | 2014 | 2.2 | 2.2 | - |
| 4E | Purdue | PRA L.P. | Stock of Novelos Therapeutics, Inc. | 2009 | 23.1 | 23.1 | - |
| 4F | Purdue | PRA L.P. | Equity of Lucien Holdings S.ar.l. | 2010 | (0.5) | (0.5) | - |
| 4G | Purdue | PRA L.P. | Equity of New Suffolk Holdings LLP | 2010 | 32.8 | 32.8 | - |
| 4H | Purdue | PRA L.P. | Right to non-ADF OxyContin | 2017 | - | - | - |
| 4I | Purdue | PRA L.P. | Rights to Dilaudid | 2017 | 16.9 | 16.9 | - |
| 4J | Purdue | PRA L.P. | Rights to MS Contin | 2017 | - | - | - |

AlixPartners

III. Intercompany and Non-Cash Transfers Detail

1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

On January 1, 2014, as part of the set up of a global supply chain organization designed to allow planning of supply chain and manufacturing sites on a global basis, Purdue entered into a manufacturing services support agreement with Mundipharma International Limited (USA) ("MIL USA"). On August 3, 2018, Purdue also entered into a service agreement with Mundipharma International Technical Operations Limited ("MITOL"). As part of these agreements, four MIL USA employees were hired to coordinate, manage, expand, or rationalize the global supply chain. Pursuant to the agreement, Purdue agreed to pay MIL USA's costs (the salaries of the four individuals and related costs) plus a 10% markup for manufacturing support services. Per discussions with Purdue, MIL USA did not begin providing these services until 2015, and the first payment for these services occurred in 2016. From January 2018 to September 2019, Purdue paid 50% of MIL USA's costs as well as 50% of MITOL's costs, plus a 10% markup for manufacturing support services, except for salary-related expenses to which a 7.5% markup was applied.

From January 1, 2016 to September 15, 2019, Purdue paid MIL USA \$5.5 million and MITOL \$2.4 million for manufacturing support services.

| Year | MIL USA | MITOL | Total |
|--------------|---------------------|---------------------|---------------------|
| 2016 | \$ 2,319,638 | \$ - | \$ 2,319,638 |
| 2017 | 1,697,519 | - | 1,697,519 |
| 2018 | 1,433,480 | 1,179,121 | 2,612,601 |
| 2019 | 37,168 | 1,231,997 | 1,269,165 |
| Total | \$ 5,487,805 | \$ 2,411,118 | \$ 7,898,923 |

1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

On April 6, 2006, Purdue entered into a lease agreement with One Stamford Realty L.P. for office space at One Stamford Forum, Stamford, CT. One Stamford Forum is Purdue's headquarters. As of July 1, 2018, Purdue entered into a services agreement with One Stamford Realty L.P. for One Stamford Realty L.P. to provide additional facilities and administrative services related to One Stamford Forum.

From January 1, 2008 to September 15, 2019, Purdue paid One Stamford Realty L.P. \$105.0 million related to its lease of One Stanford Forum.¹

| Year | Rent | Electric | Real Estate Tax | Operating Expenses | Administrative Services Fees | Total Payments |
|--------------|----------------------|---------------------|---------------------|---------------------|------------------------------|-----------------------|
| 2008 | \$ 11,232,286 | \$ 629,749 | \$ 467,192 | \$ 177,957 | n/a | \$ 12,507,183 |
| 2009 | 6,929,840 | 683,394 | 413,073 | 181,625 | n/a | 8,207,931 |
| 2010 | 6,872,101 | 841,979 | 513,691 | 306,791 | n/a | 8,534,562 |
| 2011 | 6,986,608 | 734,650 | 530,019 | 284,191 | n/a | 8,535,468 |
| 2012 | 6,986,608 | 710,058 | 549,499 | 250,043 | n/a | 8,496,208 |
| 2013 | 6,986,608 | 724,127 | 495,018 | 276,042 | n/a | 8,481,795 |
| 2014 | 6,986,608 | 580,193 | 442,825 | 163,787 | n/a | 8,173,413 |
| 2015 | 7,006,418 | 507,245 | 466,461 | 252,032 | n/a | 8,232,156 |
| 2016 | 7,224,325 | 500,637 | 489,139 | 350,689 | n/a | 8,564,790 |
| 2017 | 7,224,325 | 522,069 | 513,254 | 301,303 | n/a | 8,560,951 |
| 2018 | 7,224,325 | 579,368 | 556,504 | 394,044 | 548,619 | 9,302,860 |
| 2019 | 5,418,244 | 477,244 | 499,575 | 378,730 | 658,957 | 7,432,750 |
| Total | \$ 87,078,294 | \$ 7,490,713 | \$ 5,936,250 | \$ 3,317,234 | \$ 1,207,576 | \$ 105,030,067 |

For additional detail on this transfer, see Exhibit 1B.

¹See **Appendix 3** for the status of our review of electric, real estate taxes, operating expenses and administrative fees.

1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental health & safety services

On January 1, 2008, Purdue entered into a security services agreement with Purdue Pharma Technologies Inc. ("PPTI"). Under this agreement, PPTI provided security services at Purdue's manufacturing facilities and corporate offices, and monitored the security of Purdue's supply chain. In 2008, PPTI also began providing Purdue internal audit and environmental, health, and safety ("EHS") services. These services included, for example, assisting Purdue in complying with DEA regulatory requirements concerning the handling and transportation of potent chemicals. PPTI provided these security, internal audit, and EHS services to Purdue from 2008 to 2015 and charged Purdue its costs plus a 10% markup.

From 2008 to 2015, PPTI charged Purdue \$100.1 million for internal audit, security, and EHS services, including a 10% markup of \$9.1 million.

| Year | Security Charges | EHS Charges | Internal Audit Charges | Total Service Charges |
|--------------|----------------------|----------------------|------------------------|-----------------------|
| 2008 | \$ 7,483,326 | \$ 4,558,375 | \$ 224,233 | \$ 12,265,934 |
| 2009 | 7,466,631 | 5,416,074 | 492,527 | 13,375,232 |
| 2010 | 8,102,142 | 6,033,538 | 833,782 | 14,969,462 |
| 2011 | 8,165,239 | 6,746,851 | 730,625 | 15,642,715 |
| 2012 | 7,885,712 | 6,134,915 | 754,284 | 14,774,911 |
| 2013 | 6,933,088 | 3,569,348 | 969,354 | 11,471,790 |
| 2014 | 5,192,813 | 3,079,809 | 484,715 | 8,757,337 |
| 2015 | 5,387,673 | 2,941,390 | 551,484 | 8,880,547 |
| Total | \$ 56,616,624 | \$ 38,480,300 | \$ 5,041,004 | \$ 100,137,928 |

Payments for these services were settled through intercompany accruals and subsequent funding.

For additional detail on this transfer, see Exhibit 1C.

¹Based on our discussions with Purdue and TXP, we understand that there is no written agreement for these services.

1D: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for finished products from 3rd parties

On January 1, 2008, Purdue entered into a purchasing services agreement with PPTI, the service provider, under which PPTI agreed to purchase finished products from third parties on behalf of Purdue. All third-party-procured finished products from 2008 to 2017 were initially purchased by PPTI (e.g. Butrans, Betadine, Colace, Senokot) and recharged to Purdue at a [REDACTED] markup.

From 2008 to 2017, PPTI charged Purdue \$182.1 million for finished products, which included [REDACTED] in markups.

| Year | Charges for Purchasing Services |
|--------------|---------------------------------|
| 2008 | \$ 5,760,344 |
| 2009 | 11,802,711 |
| 2010 | 11,092,517 |
| 2011 | 15,467,233 |
| 2012 | 32,866,635 |
| 2013 | 26,307,510 |
| 2014 | 24,181,836 |
| 2015 | 20,311,089 |
| 2016 | 21,279,185 |
| 2017 | 13,055,169 |
| Total | \$ 182,124,228 |

Payments for these services were settled through intercompany accruals and subsequent funding.

For additional detail on this transfer, see Exhibit 1D.

1E: Intercompany transfers between Purdue and The P.F. Laboratories Inc. for contract manufacturing organization services

On January 1, 1996, Purdue entered into a contract manufacturing agreement with The P.F. Laboratories Inc. ("P.F. Labs"). Under this agreement, P.F. Labs agreed to manufacture various dosages of MS Contin for Purdue. In exchange, Purdue agreed to pay P.F. Labs' costs plus a 10% markup. Per discussions with Purdue, this agreement ended in 2014. This manufacturing facility was sold at the end of 2015.

From 2008 to 2014, P.F. Labs charged Purdue \$17 million in manufacturing costs and \$1.7 million in markups, totaling \$18.7 million.

| Year | Manufacturing Costs | Service Commissions | Total Charges |
|--------------|----------------------|---------------------|----------------------|
| 2008 | \$ 10,021,395 | \$ 1,002,139 | \$ 11,023,534 |
| 2009 | 4,221,947 | 422,197 | 4,644,144 |
| 2010 | 1,222,995 | 122,300 | 1,345,295 |
| 2011 | 666,280 | 66,628 | 732,908 |
| 2012 | 381,294 | 38,129 | 419,424 |
| 2013 | 217,444 | 21,744 | 239,188 |
| 2014 | 277,690 | 27,769 | 305,459 |
| Total | \$ 17,009,044 | \$ 1,700,907 | \$ 18,709,951 |

Payments for these contract manufacturing organization ("CMO") services were settled through intercompany accruals (e.g. cross charges) and subsequent funding.

For additional detail on this transfer, see Exhibit 1E.

1F: Intercompany transfers between Purdue and The Terramar Foundation, Inc. for office space

On April 13, 1998, Purdue entered into a service agreement with The Terramar Foundation, Inc. ("Terramar") for office space and other services at [REDACTED], New York, NY. Services paid by Purdue included rent, salaries of employees, maintenance, security, and other administrative expenses, plus a 10% markup. This agreement was terminated as of July 1, 2018.

From 2008 to 2018, PPLP was charged approximately \$22.2 million by Terramar, which included \$2.0 million in markups.

| Year | Charges for Costs & Expenses | Service Charge | Total |
|--------------|------------------------------------|---------------------|----------------------|
| 2008 | \$ 1,443,581 | \$ 144,358 | \$ 1,587,939 |
| 2009 | 1,671,798 | 167,180 | 1,838,978 |
| 2010 | 1,576,459 | 157,646 | 1,734,105 |
| 2011 | 1,850,762 | 185,076 | 2,035,838 |
| 2012 | 1,788,067 | 178,807 | 1,966,874 |
| 2013 | 2,489,028 | 248,903 | 2,737,930 |
| 2014 | 2,137,612 | 213,761 | 2,351,373 |
| 2015 | 1,998,502 | 199,850 | 2,198,353 |
| 2016 | 2,100,172 | 210,017 | 2,310,189 |
| 2017 | 2,045,599 | 204,560 | 2,250,159 |
| 2018 | 1,077,073 | 107,575 | 1,184,648 |
| Total | \$ 20,178,653 | \$ 2,017,733 | \$ 22,196,386 |

Payments for these services were settled through intercompany accruals and subsequent funding. For additional detail on this transfer, see Exhibit 1F.

1G: Intercompany transfers between Purdue and TXP Services Inc. for financial and tax services

On January 1, 2008, Purdue entered into a tax services agreement with TXP. Pursuant to this agreement, TXP provided financial and tax-related services to Purdue and charged Purdue its costs and expenses plus a 10% markup. Purdue and TXP entered into a revised agreement as of July 1, 2018 on a fixed-fee basis.

From January 1, 2008 to September 15, 2019, TXP charged Purdue \$20.0 million for financial and tax services, which included \$1.4 million in markups.¹

| Year | Cost & Expenses | Markups | Total Charges for Financial & Tax Services |
|--------------|----------------------|---------------------|--|
| 2008 | \$ 943,966 | \$ 94,397 | \$ 1,038,363 |
| 2009 | 883,035 | 88,304 | 971,339 |
| 2010 | 1,705,741 | 170,574 | 1,876,315 |
| 2011 | 1,735,277 | 173,528 | 1,908,805 |
| 2012 | 1,700,502 | 170,050 | 1,870,552 |
| 2013 | 1,681,641 | 168,164 | 1,849,805 |
| 2014 | 1,148,142 | 114,841 | 1,262,983 |
| 2015 | 1,114,770 | 111,477 | 1,226,247 |
| 2016 | 1,270,694 | 117,502 | 1,388,196 |
| 2017 | 1,413,877 | 141,388 | 1,555,265 |
| 2018 | 2,418,975 | 83,937 | 2,502,912 |
| 2019 | 2,559,793 | - | 2,559,793 |
| Total | \$ 18,576,413 | \$ 1,434,162 | \$ 20,010,575 |

Payments for these services were settled through intercompany accruals and subsequent funding.

For additional detail on this transfer, see Exhibit 1G.

¹Under the July 1, 2018 agreement and its fixed-fee basis, no further markups were calculated.

1H: Intercompany transfers between Purdue and Mundipharma Research Limited for R&D services

In 2003, Purdue entered into a research services agreement with Mundipharma Research Limited ("MRL") for MRL to provide R&D services to Purdue. These services included consulting on regulatory affairs, technical development, medical research, and project management for OxyContin in foreign countries. The agreement was replaced by a similar agreement dated September 17, 2010. The 2010 agreement was further amended in March 2017 and February 2018 to add and/or replace the covered projects listed in Schedule 2 of the 2010 agreement.¹ In exchange, Purdue agreed to pay MRL's costs plus a [REDACTED] markup.

From January 1, 2008 to September 15, 2019, Purdue paid MRL \$80.5 million for the R&D services, which included [REDACTED] in markups.²

| Year | Invoice Amount |
|--------------|----------------------|
| 2008 | \$ 15,325,659 |
| 2009 | 8,404,405 |
| 2010 | 5,799,177 |
| 2011 | 3,333,509 |
| 2012 | 3,988,844 |
| 2013 | 3,283,531 |
| 2014 | 6,323,734 |
| 2015 | 6,515,115 |
| 2016 | 10,027,865 |
| 2017 | 10,661,390 |
| 2018 | 5,798,491 |
| 2019 | 1,055,733 |
| Total | \$ 80,517,452 |

For additional detail on this transfer, see Exhibit 1H.

¹Covered projects initially included: OXY Intermediate Strengths (15, 30, 60, 120) and OXY Tamper Resistance (5-80 and 120). Additional covered projects included: SIGMA-1, MUMOI, Fibromyalgia syndrome, and ICS/LABA/LAMA triple combination.

²Per discussions with Purdue, the 10% markups are included in the total invoiced amount, and not shown as a separate line item. As such, the service charges are not separately discernable in SAP and this figure is an extrapolation.

1I: Intercompany transfers between Purdue and Mundipharma EDO GmbH for R&D services

On January 18, 2013, PPLP entered into a services agreement with Mundipharma EDO GmbH ("Mundipharma EDO") for R&D services. On the same day, Purdue Pharmaceutical Products L.P. ("PPPLP" or "3XP") entered into a similar services agreement with Mundipharma EDO for R&D services. Pursuant to the terms of these agreements, Mundipharma EDO provided, among other things, consulting services and other project development services in connection with four oncology development programs. Under these agreements, Mundipharma EDO retained experts in oncology who assisted in progressing development programs (e.g., performing early stage clinical trials, formulation, development and non-clinical studies). In exchange, Purdue agreed to pay Mundipharma EDO's costs plus a [REDACTED] markup.

From January 1, 2013 to September 15, 2019, Purdue paid Mundipharma EDO \$31.5 million for the R&D services, which included [REDACTED] in markups.¹

| Year | Invoice Amount |
|--------------|----------------------|
| 2013 | \$ 272,178 |
| 2014 | 5,006,885 |
| 2015 | 2,449,651 |
| 2016 | 2,676,142 |
| 2017 | 5,927,652 |
| 2018 | 10,841,236 |
| 2019 | 4,343,161 |
| Total | \$ 31,516,905 |

For additional detail on this transfer, see Exhibit 1I.

¹Per discussions with Purdue, the [REDACTED] markups are included in the total invoiced amount, and not shown as a separate line item. As such, the service charges are not separately discernable in SAP and this figure is an extrapolation.

1J: Intercompany transfers between Purdue and Mundipharma International UK for consulting and legal services

On July 4, 2012, Purdue entered into a services agreement with Mundipharma International Limited (UK) ("MIL UK"). Based on discussions with Purdue, the services provided included director consulting services (i.e., management consulting and general and administrative services). On January 1, 2015, Purdue entered into a second services agreement with MIL UK, which expanded the scope of services provided to Purdue to include legal services. Pursuant to these agreements, Purdue agreed to pay MIL UK's costs plus a 10% markup. From 2012 to 2018, Purdue paid MIL UK \$4.5 million for these services.¹

| Year | Payments |
|--------------|---------------------|
| 2012 | \$ 167,615 |
| 2013 | 514,175 |
| 2014 | 767,271 |
| 2015 | 599,419 |
| 2016 | 596,235 |
| 2017 | 1,146,881 |
| 2018 | 756,514 |
| Total | \$ 4,548,110 |

For additional detail on this transfer, see Exhibit 1J.

¹See Appendix 3 for the status of our review of charges prior to the 2012 services agreement.

1K: Intercompany transfers between Purdue and Mundipharma A.G. to manufacture and sell MS Contin in the United States

On January 1, 2008, Purdue entered into a license agreement with Mundipharma A.G. under which Purdue obtained the right to manufacture and sell MS Contin in the United States from Mundipharma A.G. Pursuant to the agreement, Purdue agreed to pay Mundipharma A.G. [REDACTED] of its net sales of MS Contin in the United States. Purdue was also obligated to pay Mundipharma A.G. [REDACTED] of its profits from sales of generic versions of MS Contin under a prior license agreement.

From 2009 to 2017, Purdue paid Mundipharma A.G. \$11.0 million in royalties and profit share related to manufacturing and selling branded and authorized generic MS Contin in the United States.^{1,2,3}

| Year | Royalty Payments |
|--------------|----------------------|
| 2009 | \$ 2,060,321 |
| 2010 | 2,260,071 |
| 2011 | 1,221,709 |
| 2012 | 1,176,121 |
| 2013 | 1,068,495 |
| 2014 | 1,057,009 |
| 2015 | 803,858 |
| 2016 | 1,169,133 |
| 2017 | 187,567 |
| Total | \$ 11,004,285 |

For additional detail on this transfer, see Exhibit 1K.

¹Effective May 1, 2017, the manufacturer's license agreement was assigned to Rhodes Pharma. Since May 1, 2017, Rhodes Pharma has accrued \$1.3 million in royalties, but has not made any payments.

²In 2008, royalty and profit share payments of \$2.1 million were paid to Mundipharma A.G. by PLP Associates Holdings L.P., a limited partner of PRA L.P., the parent company of PPLP.

³See Appendix 3 for the status of our review of charges related to meeting and consulting expenses.

1L: Intercompany transfers between Purdue and Pharmaceutical Research Associates, Inc. for licensing the trademarks of Betadine and Senokot

On November 29, 2006, Pharmaceutical Research Associates, Inc. and Purdue Products L.P. (n/k/a Avrio Health L.P.) entered into an assignment and assumption agreement under which Avrio Health L.P. received the right to sell Betadine and Senokot in the United States. In exchange, Avrio Health L.P. agreed to pay Pharmaceutical Research Associates Inc. a royalty of [REDACTED] of its net sales of Betadine and Senokot.

From January 1, 2008 to September 15, 2019, Pharmaceutical Research Associates, Inc. charged Purdue \$22.8 million for royalties due.

| Charges for Royalties | |
|--------------------------|----------------------|
| Year | |
| 2008 | \$ 2,542,015 |
| 2009 | 1,771,497 |
| 2010 | 2,112,558 |
| 2011 | 1,992,739 |
| 2012 | 1,700,138 |
| 2013 | 2,036,722 |
| 2014 | 1,785,568 |
| 2015 | 1,833,050 |
| 2016 | 1,838,701 |
| 2017 | 1,766,378 |
| 2018 | 1,968,093 |
| 2019 | 1,482,404 |
| Total | \$ 22,829,863 |

Payments for these services were settled through intercompany accruals and subsequent funding.

For additional detail on this transfer, see Exhibit 1L.

1M: Intercompany transfers between Purdue and Purdue Pharma Canada for manufacturing and packaging services

Effective September 1, 2009, Purdue entered into a supply agreement with Purdue Pharma Canada for manufacturing and packaging services.

From September 1, 2009 to September 15, 2019, Purdue paid \$41.1 million to Purdue Pharma Canada pursuant to the supply agreement.

| Year | Payments |
|--------------|----------------------|
| 2009 | \$ 1,794,542 |
| 2010 | 2,466,513 |
| 2011 | 2,307,198 |
| 2012 | 5,409,689 |
| 2013 | 5,243,004 |
| 2014 | 4,518,539 |
| 2015 | 3,727,388 |
| 2016 | 3,271,075 |
| 2017 | 4,037,991 |
| 2018 | 4,293,057 |
| 2019 | 4,023,588 |
| Total | \$ 41,092,586 |

For additional detail on this transfer, see Exhibit 1M.

1N: Transfer of the Adhansia assets from Purdue Pharma Canada to Purdue in 2018

On October 11, 2018, Purdue entered into an asset purchase agreement with Purdue Pharma Canada for the Adhansia assets.

As of September 15, 2019, Purdue has paid Purdue Pharma Canada \$20.2 million for the Adhansia assets.

| Asset Purchase Agreement Section | Description | Paying Entity | Date | Payment Amount |
|----------------------------------|---|--|------------|---------------------|
| \$2.6.i | Purchase price paid at closing | Purdue Pharma L.P. (208) | 12/12/2018 | \$4,909,566 |
| 2.6.iii and 2.6.iv | FDA expense reimbursement and FDA approval | Adlon Therapeutics L.P. (258) ¹ | 3/20/2019 | 8,951,941 |
| \$2.6.ii | Costs in respect of the AWE Clinical Trials | Adlon Therapeutics L.P. (258) | 4/5/2019 | 2,386,059 |
| 2.6.v | First commercial sale | Adlon Therapeutics L.P. (258) | 8/5/2019 | 4,000,000 |
| Total | | | | \$20,247,566 |

For additional detail on this transfer, see Exhibit 1N.

¹Adlon Therapeutics L.P. is a subsidiary of PPLP.

10: Intercompany transfers between E.R.G. Realty Inc. and Purdue pursuant to a loan

In 2000, Purdue loaned \$4.75 million to E.R.G. Realty Inc. The loan had an original repayment date of September 2010. As of January 1, 2008, the loan balance was \$3.85 million. In October 2010, Purdue extended the term of the loan, which had a \$3.45 million balance at the time, to September 2020. The purpose of these loans was to fund renovations to E.R.G. Realty Inc.'s land and buildings in New York City. E.R.G. Realty Inc. paid off the loan in 2018. From 2008 to 2018, E.R.G. Realty Inc. paid Purdue \$5.1 million in principal and interest.

| Year | Principal | Interest | Total |
|--------------|---------------------|---------------------|---------------------|
| 2008 | \$ 200,000 | \$ 227,330 | \$ 427,330 |
| 2009 | 200,000 | 215,930 | 415,930 |
| 2010 | 100,000 | 137,927 | 237,927 |
| 2011 | 100,000 | 134,310 | 234,310 |
| 2012 | 250,000 | 106,892 | 356,892 |
| 2013 | 250,000 | 98,400 | 348,400 |
| 2014 | 250,000 | 90,200 | 340,200 |
| 2015 | 250,000 | 82,000 | 332,000 |
| 2016 | 275,000 | 74,002 | 349,002 |
| 2017 | 275,000 | 64,780 | 339,780 |
| 2018 | 1,700,009 | 59,602 | 1,759,611 |
| Total | \$ 3,850,009 | \$ 1,291,373 | \$ 5,141,382 |

For additional detail on this transfer, see Exhibit 10.

1P: Intercompany transfers between various IACs and Purdue for accounting, HR, and other services

Based on discussions with Purdue and TXP, Purdue provided various IACs¹ accounting, IT, HR, and other services. Per these discussions, no amounts were charged to any of these entities for the services provided by Purdue.

For additional detail, see Exhibit 1P.

¹The IACs include: 1) E.R.G. Realty, Inc, 2) Mundipharma International Limited (USA), 3) One Stamford Realty L.P., 4) Pharmaceutical Research Associates, Inc., 5) Pharma Associates L.P., and 6) Purdue Pharma Technologies Inc.

1Q: Intercompany transfers between foreign IACs and Purdue for finished products

From January 1, 2008 to September 15, 2019, certain foreign IACs paid Purdue \$56.6 million for finished dosage OxyContin and MS Contin for sale in foreign markets (including [REDACTED] relating to freight and [REDACTED] relating to product markups).

Per discussions with Purdue, these finished products sales from Purdue to the various IACs were not governed by a written agreement but were generally priced at cost plus a [REDACTED] or [REDACTED] markup ([REDACTED] between 2011-2015, [REDACTED] between 2016-2019).¹

| Year | Total Payments |
|--------------|----------------------|
| 2008 | \$ 1,970,427 |
| 2009 | 1,714,390 |
| 2010 | 1,945,014 |
| 2011 | 2,135,280 |
| 2012 | 2,517,290 |
| 2013 | 2,210,809 |
| 2014 | 17,858,921 |
| 2015 | 7,990,859 |
| 2016 | 6,205,309 |
| 2017 | 4,895,976 |
| 2018 | 4,197,159 |
| 2019 | 3,003,145 |
| Total | \$ 56,644,578 |

For additional detail on this transfer, see Exhibit 1Q.

¹Per discussions with Purdue, markups between 2008-2010 for foreign markets were extrapolated based on costs and markups in the US Market for the same respective products. In 2011, pricing was consolidated and streamlined to ensure that costs were sufficiently covered by product sales.

1R: Intercompany transfers between foreign IACs and Purdue for selling Oxycontin and other products under license agreements

Purdue licenses the right to manufacture and sell ADF and non-ADF OxyContin to numerous foreign IACs. In exchange, Purdue receives a royalty from the foreign IACs as a percentage of the foreign IACs' sales of OxyContin. On December 15, 2005, Purdue entered into an agreement with Pharma Associates L.P. ("PALP"), an IAC, pursuant to which PALP agreed to collect and pay royalties owed to Purdue from the foreign IACs under the various foreign OxyContin license agreements. In exchange for these services, Purdue agreed to reimburse PALP for its expenses incurred under the agreement plus \$50,000 per year.

From January 1, 2008 to September 15, 2019, PALP and various foreign IACs paid Purdue \$621.7 million in royalties (net of expenses).

| Year | Royalty Payments |
|--------------|-----------------------|
| 2008 | \$ 75,621,465 |
| 2009 | 75,948,501 |
| 2010 | 84,636,599 |
| 2011 | 91,213,160 |
| 2012 | 83,818,887 |
| 2013 | 48,359,824 |
| 2014 | 46,362,538 |
| 2015 | 38,851,998 |
| 2016 | 36,189,124 |
| 2017 | 15,154,985 |
| 2018 | 14,817,759 |
| 2019 | 10,742,769 |
| Total | \$ 621,717,608 |

Payments for these services were settled through intercompany accruals and subsequent funding.¹

For additional detail on this transfer, see Exhibit 1R.

¹See **Appendix 3** for the status of our analysis of the intercompany accounts.

2A: Intercompany transfers between various IACs and Rhodes Tech for active pharmaceutical ingredients

Based on discussions with Rhodes, various IACs purchase active pharmaceutical ingredients ("API") from Rhodes Tech.¹ These API purchases included, for example, oxycodone hydrochloride, hydrocodone bitartrate, methylphenidate hydrochloride, morphine sulfate, buprenorphine hydrochloride, naloxone hydrochloride, and dronabinol.

From January 1, 2008 to September 15, 2019, various IACs paid Rhodes Tech \$140.7 million for this API. According to Rhodes, the prices at which Rhodes Tech sold API to IACs were determined on the basis of historical market prices.

| IAC | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|------------------------------|---------------------|--------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| Bard Pharmaceuticals Limited | \$ 3,272,801 | \$ 6,136,635 | \$ 11,728,748 | \$ 13,036,566 | \$ 12,050,500 | \$ 5,929,003 | \$ 11,509,219 | \$ 10,433,153 | \$ 14,564,696 | \$ 19,868,598 | \$ 11,363,893 | \$ 9,399,676 | \$ 129,293,487 |
| The P.F. Laboratories | 3,567,370 | 28,835 | 652,692 | 579,415 | 55,046 | - | - | - | - | - | - | - | 4,883,358 |
| Napp Pharmaceuticals Limited | 1,931,723 | - | - | - | - | - | - | - | - | - | - | - | 1,931,723 |
| Purdue Pharma Inc. (Canada) | 171,358 | 434,200 | 53,329 | 214,961 | 215,135 | 210,547 | 53,754 | 131,508 | 238,031 | 129,414 | 53,244 | 106,310 | 2,011,791 |
| Rafa Laboratories Limited | - | 20,937 | 194,089 | 194,353 | 290,632 | 193,385 | 182,075 | 198,843 | 270,422 | 234,463 | 231,899 | 150,782 | 2,161,880 |
| Modi-Mundi Pharma Pvt. Ltd. | - | - | - | 39,189 | - | - | - | - | - | - | 29,675 | - | 68,864 |
| Mundipharma Research Limited | - | 391,934 | - | - | - | - | - | - | - | - | - | - | 391,934 |
| Total | \$ 8,943,253 | \$7,012,542 | \$12,628,858 | \$14,064,482 | \$12,611,313 | \$6,332,936 | \$11,745,047 | \$10,763,503 | \$15,073,149 | \$20,232,476 | \$11,678,712 | \$9,656,767 | \$140,743,038 |

For additional detail on this transfer, see Exhibit 2A.

¹No written agreements exist for these purchases.

2B: Intercompany transfers between Mundipharma’s LAM region and Rhodes Pharma for finished dosage product

Based on discussions with Rhodes, Rhodes Pharma provided a small amount of finished dosage products to Mundipharma’s Latin America, Asia Pacific and Middle East/Africa (“LAM”) region in 2016 and 2017.¹

From 2016 to 2017, Mundipharma paid Rhodes Pharma \$36,000 for finished dosage products. These products were sold at cost plus a [REDACTED] markup.

| Product | IAC Purchaser | Date | Quantity | Amount |
|---------------------------------------|----------------------------|-----------|------------|------------------|
| Oxycodone/APAP 5MG/325MG tablets 100s | Mundipharma Near East GMBH | 6/16/2016 | [REDACTED] | \$ 1,821 |
| Oxycodone/APAP 5MG/325MG tablets 100s | Mundipharma Near East GMBH | 9/28/2016 | [REDACTED] | 34,140 |
| Total | | | | \$ 35,961 |

For additional detail on this transfer, see Exhibit 2B.

¹No written agreement exists for these purchases.

2C: Intercompany transfers between Rhodes Pharma and Mundipharma Laboratories GMBH for theophylline

On October 1, 2011, Rhodes Pharma entered into a supply agreement with Mundipharma Laboratories GMBH for theophylline.

From October 1, 2011 to September 15, 2019, Rhodes Pharma paid Mundipharma Laboratories GMBH \$5.3 million for theophylline.

| Year | Quantity | Amount |
|--------------|----------|---------------------|
| 2012 | | \$ 212,796 |
| 2013 | | 506,934 |
| 2014 | | 197,148 |
| 2015 | | 407,928 |
| 2016 | | 1,535,881 |
| 2017 | | 518,260 |
| 2018 | | 1,368,630 |
| 2019 | | 503,510 |
| Total | | \$ 5,251,087 |

For additional detail on this transfer, see Exhibit 2C.

3A: Intercompany transfers between Rhodes Pharma and Purdue for contract manufacturing organization services

Purdue entered into a contract manufacturing agreement to provide CMO services to Rhodes Pharmaceuticals L.P. in 2010, which was restated and/or amended in 2014, 2016, and 2018, to include certain additional products within the scope of this agreement.

From January 1, 2011 to September 15, 2019, Purdue charged Rhodes \$290.6 million for CMO services (inclusive of \$16.3 million in transfer pricing ("TP") adjustments, which adjusted the full factory standard costs incurred down to previously agreed-upon contract prices).

| Product | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Morphine Sulfate ER | \$ 17,227,618 | \$ 16,262,027 | \$ 25,591,951 | \$ 19,548,180 | \$ 16,702,113 | \$ 10,764,115 | \$ 9,154,794 | \$ 12,588,395 | \$ 7,962,369 | \$ 135,801,561 |
| Oxycodone APAP | - | - | - | 6,080,578 | 10,645,036 | 24,818,928 | 23,219,950 | 27,308,720 | 20,024,302 | 112,097,512 |
| Oxycodone HCL | 488,261 | 66,257 | 63,506 | 5,227,920 | 3,768,564 | 7,976,191 | 9,312,233 | 8,539,467 | 13,015,926 | 48,458,325 |
| Buprenorphine HCL | - | - | - | - | - | - | 402,205 | 2,892,510 | 2,775,233 | 6,069,949 |
| MS Contin | - | - | - | - | - | - | 462,956 | - | 395,282 | 858,238 |
| Dexamethyl HCL | - | - | - | - | - | - | 206,288 | 66,948 | 155,192 | 428,428 |
| Hydrocodone/APAP | - | - | - | - | - | - | - | 103,096 | 124,610 | 227,706 |
| Hydromorphone (Dilaudid) | - | - | - | - | - | - | - | - | 2,300,682 | 2,300,682 |
| Amphetamine | - | - | - | - | - | - | - | - | 699,397 | 699,397 |
| Total before TP adjustments (a) | \$ 17,715,879 | \$ 16,328,283 | \$ 25,655,457 | \$ 30,856,677 | \$ 31,115,712 | \$ 43,559,234 | \$ 42,758,426 | \$ 51,499,136 | \$ 47,452,993 | \$ 306,941,798 |
| TP adjustments (b) | - | - | (4,697,541) | (2,942,730) | (2,782,019) | (4,362,197) | (1,516,423) | - | - | (16,300,910) |
| Total (c=a+b) | \$ 17,715,879 | \$ 16,328,283 | \$ 20,957,916 | \$ 27,913,948 | \$ 28,333,693 | \$ 39,197,037 | \$ 41,242,003 | \$ 51,499,136 | \$ 47,452,993 | \$ 290,640,888 |

Payments for these services were settled through intercompany accruals and subsequent funding.

For additional detail on this transfer, see Exhibit 3A.

3B: Intercompany transfers between Rhodes and Purdue for allocated shared services functions

Purdue provides Rhodes with IT, benefit plan Administration, and other administrative services. In addition, Purdue provides other services specific to Rhodes such as commercial products manufacturing, distribution, and research and development services (collectively, "Rhodes Shared Services").

From January 1, 2008 to September 15, 2019, Rhodes paid Purdue \$56.6 million for Rhodes Shared Services and Expenses.

| Year | Rhodes Shared Services | | | Total |
|--------------|------------------------|----------------------|-----------|----------------------|
| | Rhodes Tech | Rhodes Pharma | | |
| 2008 | \$ - | \$ 614,157 | \$ | 614,157 |
| 2009 | 1,018,502 | 1,598,670 | | 2,617,172 |
| 2010 | 1,388,732 | 632,906 | | 2,021,638 |
| 2011 | 1,388,732 | 1,790,887 | | 3,179,619 |
| 2012 | 1,267,979 | 2,019,320 | | 3,287,299 |
| 2013 | 1,570,455 | 1,939,791 | | 3,510,246 |
| 2014 | 1,565,880 | 2,065,819 | | 3,631,699 |
| 2015 | 1,963,237 | 3,849,149 | | 5,812,386 |
| 2016 | 1,963,237 | 5,910,647 | | 7,873,883 |
| 2017 | 1,962,683 | 7,073,350 | | 9,036,033 |
| 2018 | 1,697,897 | 7,231,109 | | 8,929,007 |
| 2019 | 1,066,946 | 5,027,899 | | 6,094,845 |
| Total | \$ 16,854,279 | \$ 39,753,703 | \$ | \$ 56,607,982 |

Payments for these services were settled through intercompany accruals and subsequent funding.

For additional detail on this transfer, see Exhibit 3B.

3C: Intercompany transfers between Rhodes Pharma and Purdue for licensing generic and branded Dilaudid

In 2010, Purdue granted Rhodes Pharma a license to sell an authorized generic version of Dilaudid. Per discussions with Purdue, this license was not governed by a written agreement and Rhodes did not make any upfront or royalty payments to Purdue for this license.

In 2016, PPLP and Rhodes Pharma entered into an assignment and assumption agreement, effective May 1, 2017, that transferred PPLP's rights in Dilaudid to Rhodes Pharma. The rights transferred under the assignment and assumption agreement included licenses to use the trademarks and patents associated with Dilaudid. (See Exhibit 4I for additional detail regarding this assignment and assumption agreement.)

For additional detail on this transfer, see Exhibit 3C.

3D: Intercompany transfers between Rhodes Pharma and Purdue for all rights to morphine sulfate extended release generic

In 2011, Purdue transferred all rights to sell Morphine Sulfate Extended Release ("MSER") Generic to Rhodes Pharma. Per discussions with Purdue, this transfer was not governed by a written agreement. Although Rhodes did not make any upfront payments to Purdue for these rights, Purdue and Rhodes entered into an arrangement in 2011 whereby Rhodes paid Purdue [REDACTED] of the profits on its 2011 sales of generic MSER. These payments did not continue beyond 2011.

From January 1, 2008 to September 15, 2019, Rhodes paid Purdue \$1.2 million for its portion of the MSER profit share.

| Year | MSER Profit Share to PPLP |
|--------------|------------------------------|
| 2011 | \$ 1,228,841 |
| Total | \$ 1,228,841 |

Payments for these services were settled through intercompany accruals (e.g. recharges) and subsequent funding.

For additional detail on this transfer, see Exhibit 3D.

3E: Intercompany transfers between Rhodes Pharma and Purdue pursuant to Butrans AG profit-sharing agreement

In July 2017, Rhodes Pharma agreed to sell authorized generics of Butrans on behalf of Purdue. In 2018, Purdue and Rhodes Pharma entered into a formal distribution and profit-sharing agreement governing this relationship.

From 2017 to September 15, 2019, Purdue charged Rhodes Pharma \$77.0 million pursuant to the profit-sharing agreement.

| Year | Charges for Profit-Share |
|--------------|--------------------------|
| 2017 | \$ 15,568,950 |
| 2018 | 45,764,450 |
| 2019 | 15,672,407 |
| Total | \$ 77,005,807 |

Payments for this profit-share were settled through intercompany accruals and subsequent funding.

For additional detail on this transfer, see Exhibit 3E.

3F: Intercompany transfers between Purdue and Rhodes Tech for active pharmaceutical ingredients

Based on discussions with Rhodes, Purdue purchased several types of API from Rhodes Tech, including oxycodone hydrochloride, hydrocodone bitartrate, methylphenidate, morphine sulfate USP, buprenorphine, and naloxone HCl dihydrate.¹ From January 1, 2008 to September 15, 2019, Rhodes Tech charged Purdue \$644.4 million for API. According to Rhodes, the prices at which Rhodes Tech sold API to Purdue were determined on the basis of historical market prices.

| Year | Invoice Amounts |
|--------------|----------------------|
| 2008 | \$ 71,259,517 |
| 2009 | 77,620,161 |
| 2010 | 70,564,728 |
| 2011 | 54,140,369 |
| 2012 | 54,369,829 |
| 2013 | 52,971,362 |
| 2014 | 52,215,588 |
| 2015 | 33,726,418 |
| 2016 | 42,913,190 |
| 2017 | 44,207,976 |
| 2018 | 45,410,456 |
| 2019 | 45,042,850 |
| Total | \$644,442,441 |

Payments for these services were settled through intercompany accruals and subsequent funding.

For additional detail on this transfer, see Exhibit 3F.

¹No written agreement exists for these purchases.

4A: Transfer from Purdue of its equity interest in Coventry Technologies L.P. to PRA L.P. in 2008 at a valuation of \$52.3 million

On January 1, 2008, PPLP and PLP Associates Holdings L.P. (“PLPAH”)¹ entered into an assignment and assumption agreement under which PPLP was authorized and directed to distribute its 100% interest in Coventry Technologies L.P. (“Coventry”).² The transfer of ownership was executed at its book value of \$52.3 million. This transfer was one of a series of transactions that established Rhodes Tech as a stand-alone API supplier and Rhodes Pharma as a stand-alone generics-focused pharmaceutical business.

| 2008 | Book Value |
|--|----------------------|
| Partner's capital & retained earnings | \$ 51,506,000 |
| Accumulated other comprehensive income | 822,000 |
| Total | \$ 52,328,000 |

Purdue did not receive any consideration for this transfer.

For additional detail on this transfer, see Exhibit 4A.

¹In 2010, PLPAH was replaced by Purdue Holdings L.P. (now known as PRA L.P.) as the direct parent entity to PPLP.

²From January 1, 2008 to May 28, 2019, Coventry was the parent entity to Rhodes Tech and Rhodes Pharma.

4B: Transfer from Purdue of its stock in Infinity Pharmaceuticals, Inc. to PRA L.P. in 2008, 2009 and 2013 at a valuation of \$263.1 million

In 2008, Purdue transferred 4 million shares of Infinity Pharmaceuticals Inc. (“Infinity”) common stock to PRA L.P. at a valuation of \$21.2 million based on the market price at the time.

In 2009, Purdue transferred an additional 2 million shares of Infinity common stock to PRA L.P. at a valuation of \$11.8 million based on the market price at the time.

In 2013, Purdue transferred an additional 5,416,565 shares of Infinity to PRA L.P. at a valuation of \$230.1 million based on the market price at the time.

| Year | Number of Shares | Transfer Amount |
|--------------|---------------------|-----------------------|
| 2008 | 4,000,000 | \$ 21,160,000 |
| 2009 | 2,000,000 | 11,830,000 |
| 2013 | 5,416,565 | 230,095,681 |
| Total | 11,416,565 | \$ 263,085,681 |

Purdue did not receive any consideration for this transfer.

For additional detail on this transfer, see Exhibit 4B.

4C: Transfer from Purdue of its equity interest in Millsaw Realty L.P. to PRA L.P. in 2009 at a valuation of \$7.4 million

On January 1, 2009, PPLP and PLPAH entered into an assignment and assumption agreement under which PPLP was authorized and directed to distribute its 100% interest in Millsaw Realty L.P. ("Millsaw"). Per the 2009 audited financial statements, Purdue transferred its ownership to PRA L.P. at its book value of \$7.4 million and recognized it as the difference between balance sheet retained earnings and cash/cash equivalents per Purdue.

Investment distributions:

| | Common Stock | Additional Paid-in Capital | Common Stock Subscription Receivable | Partners' Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Total |
|---------------------|-----------------|----------------------------------|---|----------------------|----------------------|---|---------|
| Millsaw Realty L.P. | - | - | - | (7,412) | - | - | (7,412) |

(In thousands)

Purdue did not receive any consideration for this transfer.

For additional detail on this transfer, see Exhibit 4C.

Note: The Cash Transfers of Value Report references a \$30 million cash distribution made by Millsaw Realty L.P. to Beacon Company ("Beacon") and Rosebay Medical Company L.P. ("Rosebay") in 2010. This cash distribution was not included in Purdue's combined audited financial statements or the October 19, 2018 MDL Presentation as Millsaw Realty L.P. was not a subsidiary of Purdue at the time the cash distribution was made.

4D: Transfer from Purdue of its stock in Kolltan Pharmaceuticals to PRA L.P. in 2009 and 2014 at a valuation of \$13.0 million and \$2.2 million

In September 2009, Purdue transferred its ownership of Kolltan Pharmaceuticals (“Kolltan”) Series A Convertible Preferred Stock to PRA L.P. at a valuation of \$12.95 million.

In July 2014, Purdue transferred its ownership of Kolltan Series D Shares to PRA L.P. at a valuation of \$2.05 million, plus a cash payment of \$10,175.

In December 2014, Purdue transferred its ownership of Kolltan common stock to PRA L.P. at a valuation of \$110,080, plus a cash payment of \$547.

| Year | Type of Distribution | Transfer Amount |
|--------------|----------------------|----------------------|
| 2009 | Series A Shares | \$ 12,950,000 |
| 2014 | Series D Shares | 2,050,000 |
| 2014 | Common Stock | 110,080 |
| 2014 | Cash | 10,722 |
| Total | | \$ 15,120,802 |

Purdue did not receive any consideration for this transfer.

For additional detail on this transfer, see Exhibit 4D.

4E: Transfer from Purdue of its stock in Novelos Therapeutics, Inc. to PRA L.P. in 2009 at a valuation of \$23.1 million

In March 2009, Purdue transferred its ownership of 15,384,615 shares of common stock in Novelos Therapeutics, Inc. ("Novelos") to PRA L.P. at a valuation of \$10 million (i.e., at the price Purdue paid for the common stock at \$0.65 per share).

On August 25, 2009, Purdue transferred its ownership of an additional 13,636,364 shares of common stock to PRA L.P. at a valuation of \$13.1 million based on an internal Purdue fair market value analysis.

| Year | Type of Stock | Transfer Amount |
|--------------|---------------|----------------------|
| 2009 | Common | \$ 10,000,000 |
| 2009 | Common | 13,140,097 |
| Total | | \$ 23,140,097 |

Purdue did not receive any consideration for this transfer.

For additional detail on this transfer, see Exhibit 4E.

4F: Transfer from Purdue of its equity interest in Lucien Holdings S.ar.l. to PRA L.P. in 2010 at a valuation of negative \$0.5 million

On April 30, 2010, PPLP and Purdue Holdings L.P. (now known as PRA L.P.) entered into an assignment and assumption agreement under which PPLP was authorized and directed to distribute its 100% interest in Lucien Holdings S.ar.l. ("Lucien"). Per Purdue's audited financial statements and internal analysis, Purdue transferred its ownership of Lucien at its book value of negative \$0.5 million.

| 2010 | | Book Value |
|-----------------------------------|----|------------|
| Partner's capital - End of Period | \$ | (542,000) |

Purdue did not receive any consideration for this transfer.

For additional detail on this transfer, see Exhibit 4F.

4G: Transfer from Purdue of its equity interest in New Suffolk Holdings LLP to PRA L.P. in 2010 at a valuation of \$32.8 million

On April 30, 2010, PPLP and Purdue Holdings L.P. (now known as PRA L.P.) entered into an assignment and assumption agreement under which PPLP was authorized and directed to distribute its 100% interest in New Suffolk Holdings LLP (“NSH”). According to Purdue’s audited financial statements and an internal analysis of this transfer conducted in 2010, Purdue recorded this transfer in its books and records at book value of \$32.8 million.

| 2010 | | Book Value |
|-----------------------------------|--|---------------|
| Partner's capital - End of Period | | \$ 32,761,000 |

Purdue did not receive any consideration for this transfer.

For additional detail on this transfer, see Exhibit 4G.

4H: Transfer from Purdue of its rights to royalty payments from foreign IACs on non-ADF OxyContin to PRA L.P. in 2017

On January 1, 2017, PPLP and Purdue Holdings L.P. (now known as PRA L.P.) entered into multiple assignment and assumption agreements pursuant to which PPLP transferred all of its rights, title and interest in non-ADF OxyContin under the applicable foreign license agreements with ex-US IACs to Purdue Holdings L.P.

| Regions Covered in Agreements | | | |
|-------------------------------|-----------|--------------|----------------|
| Arab States | France | Lebanon | South Africa |
| Austria | Germany | Netherlands | Spain |
| Belgium | Hong Kong | New Zealand | Sweden |
| Cen. & East Europe | Iceland | Norway | Switzerland |
| China | Ireland | Philippines | United Kingdom |
| Cyprus | Italy | Poland | |
| Denmark | Jordan | Saudi Arabia | |
| Finland | Kuwait | Singapore | |

Purdue did not receive any consideration for this transfer.
For additional detail on this transfer, see Exhibit 4H.

4I: Transfer from Purdue of all rights to Dilaudid to PRA L.P. in May 2017 at a valuation of \$17 million

On October 1, 2016, PPLP and Rhodes Pharma entered into an assignment and assumption agreement under which Purdue's rights, title and interest in Dilaudid and MS Contin were transferred to Rhodes Pharma pursuant to a series of distributions from Purdue to its shareholders (starting with PRA L.P., and up to Beacon and Rosebay), which, in turn, contributed these assets back down to Rhodes Pharma through Rhodes Pharma's then-parent entity, Coventry. This transfer became effective on May 1, 2017. Based on Purdue's audited financial statements and internal analysis, the rights to Dilaudid were transferred at its book value of \$17 million.

| 2017 | Book Value |
|---------------------------|----------------------|
| Dilaudid Product Rights | \$ 41,435,851 |
| Accumulated Ammortization | (24,469,360) |
| Total | \$ 16,966,491 |

Purdue did not receive any consideration for this transfer.

For additional detail on this transfer, see Exhibit 4I.

4J: Transfer from Purdue of all rights to MS Contin to PRA L.P. in 2017

On October 1, 2016, PPLP and Rhodes Pharma entered into an assignment and assumption agreement under which Purdue's rights, title and interest in Dilaudid and MS Contin were transferred to Rhodes Pharma pursuant to a series of distributions from Purdue to its shareholders (starting with PRA L.P., and up to Beacon and Rosebay) which, in turn, contributed these assets back down to Rhodes Pharma through Rhodes Pharma's then-parent entity, Coventry. That transfer was made in May 2017. Per the audited financial statements, the rights to MS Contin were transferred at a valuation of \$0 as the value of the transferred rights for Dilaudid accounted for the full value of the combined transfer.

| 2017 | | Book Value |
|--------------------------|----|------------|
| MS Contin Product Rights | \$ | - |

Purdue did not receive any consideration for this transfer.

For additional detail on this transfer, see Exhibit 4J.

AlixPartners

IV. Exhibits

AlixPartners

Exhibit 1 – Intercompany Transfers Between Purdue and IACs

IV. Exhibit 1: Intercompany transfers between Purdue and IACs

- A. Intercompany transfers between Purdue to Mundipharma International Limited (USA) for manufacturing services support
- B. Intercompany transfers between Purdue to One Stamford Realty L.P. for office space at One Stamford Forum
- C. Intercompany transfers between Purdue to Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services
- D. Intercompany transfers between Purdue to Purdue Pharma Technologies Inc. for finished products from 3rd parties
- E. Intercompany transfers between Purdue to The P.F. Laboratories Inc. for contract manufacturing organization services
- F. Intercompany transfers between Purdue to The Terramar Foundation, Inc. for office space
- G. Intercompany transfers between Purdue to TXP Services Inc. for financial and tax services
- H. Intercompany transfers between Purdue to Mundipharma Research Limited for R&D services
- I. Intercompany transfers between Purdue to Mundipharma EDO GmbH for R&D services

IV. Exhibit 1: Intercompany transfers between Purdue and IACs (cont.)

- J. Intercompany transfers between Purdue to Mundipharma UK for consulting and legal services
- K. Intercompany transfers between Purdue to Mundipharma A.G. to manufacture and sell MS Contin in the United States
- L. Intercompany transfers between Purdue to Pharmaceutical Research Associates, Inc. for licensing the trademarks of Betadine and Senokot
- M. Intercompany transfers between Purdue and Purdue Pharma Canada for manufacturing and packaging services
- N. Transfer of the Adhansia assets from Purdue Pharma Canada to Purdue in 2018
- O. Intercompany transfers between E.R.G. Realty Inc. and Purdue pursuant to a loan
- P. Intercompany transfers between various IACs (E.R.G. Realty Inc., Mundipharma International Limited (USA), One Stamford Realty L.P., Pharma Associates L.P., and Purdue Pharma Technologies Inc.) and Purdue for accounting, HR, and other similar services
- Q. Intercompany transfers between foreign IACs and Purdue for finished products
- R. Intercompany transfers between foreign IACs and Purdue for selling Oxycontin and other products under license agreements

Exhibit 1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

On January 1, 2014, Purdue entered into a services agreement with MIL USA, the service provider. The agreement is generally for manufacturing services. While the agreement references Schedule I of the agreement (which lists the specific services to be provided), Schedule I could not be found in connection with this analysis. On August 3, 2018, Purdue also entered into a service agreement with MITOL.

SERVICES AGREEMENT

1. **MUNDIPHARMA INTERNATIONAL LIMITED**, a company incorporated in Delaware, whose registered office is at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 ("Service Provider"); and
2. **PURDUE PHARMA L.P.**, a Delaware limited partnership, whose principal place of business is at One Stamford Forum, Stamford, Connecticut 06901 ("Customer").

MUNDIPHARMA INTERNATIONAL LIMITED (USA)

- (xv) "Services" means the services to be provided by Service Provider pursuant to this Agreement as the same are more particularly described in Schedule 1 hereto together with any other incidental services which may be agreed between Customer and Service Provider;

- AND -

PURDUE PHARMA L.P.

2. Range of Services

- (a) Service Provider will provide such of the Services as may be required by Customer from time to time.
- (b) Nothing in this Agreement shall prevent Customer from obtaining all or part of the Services from any other service provider or resource.

EFFECTIVE: 1ST JANUARY 2014

Exhibit 1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

According to the services agreement, Purdue pays for the cost of services to MIL USA plus a markup of 10%. The same arrangement is stipulated under the service agreement with MITOL.

6. Price and Payment

- (a) With respect to the Initial Term and any subsequent term of this Agreement, as applicable, the price for the Services provided hereunder from time to time shall be the cost to Service Provider of providing the Services plus a service fee in the amount of ten percent (10%) of such cost (the "Estimated Payments"). The Estimated Payments for the Initial Term are set forth in Schedule 2. The Estimated Payments for any subsequent term shall be agreed upon by the Parties on or before December 31 of the Year prior to each such subsequent term. As far as practical, Service Provider will arrange for the recovery of the travel, subsistence and incidental expenses it incurs directly through Customer.
- (b) Customer will be invoiced for the Services quarterly in advance and will pay the invoice within thirty (30) days, with payments due in amounts as set forth in Schedule 2 (as the same may be amended from time to time).
- (c) Unless otherwise agreed each quarterly invoice will be for an amount equal to one quarter of the Estimated Payments. Service Provider will provide a mid-Year update to the Estimated Payments and will adjust each quarterly invoice to reflect such revised estimates.

Exhibit 1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

Since January 1, 2014 (the date of the agreement), Purdue has paid \$5.5 million in costs and markups to MIL USA, and since January 2018 Purdue has paid \$2.4 million to MITOL. The total paid to both MIL USA and MITOL since 2014 totals \$7.9 million.

| Year | MIL USA | MITOL | Total |
|--------------|---------------------|---------------------|---------------------|
| 2016 | \$ 2,319,638 | \$ - | \$ 2,319,638 |
| 2017 | 1,697,519 | - | 1,697,519 |
| 2018 | 1,433,480 | 1,179,121 | 2,612,601 |
| 2019 | 37,168 | 1,231,997 | 1,269,165 |
| Total | \$ 5,487,805 | \$ 2,411,118 | \$ 7,898,923 |

Exhibit 1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

According to MIL USA's accounting records in SAP, Purdue has paid \$5.5 million to MIL USA (SAP company code 543) for manufacturing services support through G/L account 101016 (Accounts Receivable), as illustrated below.

Per discussions with Purdue, such services did not begin until 2015, the first payment on these services occurred in 2016. Further, while the contract called for quarterly payments in advance, the parties did not always adhere to this provision.

[illegible]

Exhibit 1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

According to MITOL's accounting records in SAP, Purdue has paid \$2.4 million to MITOL (SAP company code 543) for manufacturing services support through G/L account 101016 (Accounts Receivable), as illustrated below.

G/L Account 101016 Accounts Receivable (Manual A/R Billings)
Company Code 544

| St | DocumentNo | Type | Doc. Date | Period | Pstng Date | Account | CoCd | Amount in local cur. | Profit Ctr | Cost Ctr | Reference |
|--------------------------|-------------|------|------------|--------|------------|---------|------|----------------------|------------|----------|---------------|
| <input type="checkbox"/> | 14000000000 | DZ | 01/10/2018 | 1 | 01/11/2018 | 101016 | 544 | 357,186.00- | | | PD WT 1/10/18 |
| <input type="checkbox"/> | 14000000003 | DZ | 06/28/2018 | 6 | 06/29/2018 | 101016 | 544 | 466,132.00- | | | PD WT 6/28/18 |
| <input type="checkbox"/> | 14000000004 | DZ | 09/10/2018 | 9 | 09/10/2018 | 101016 | 544 | 355,803.00- | | | PD WT 9/7/18 |
| <input type="checkbox"/> | 14000000006 | DZ | 01/15/2019 | 1 | 01/16/2019 | 101016 | 544 | 739,501.00- | | | PD WT 1/15/19 |
| <input type="checkbox"/> | 14000000008 | DZ | 04/05/2019 | 4 | 04/05/2019 | 101016 | 544 | 492,496.00- | | | PD WT 4/5/19 |
| * | | | | | | | | 2,411,118.00- | | | |

Exhibit 1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

The calculation of the amount due from Purdue to MIL USA is tracked via spreadsheet by Purdue (2015 is illustrated below with the payment amount in yellow). This payment reconciles to the individual payment line item in SAP on slide 66.

| Mundipharma International Limited (USA) | | | |
|--|--------------|--------------|--------------|
| Company 543 | | | |
| 2015 Billing to PPLP | | | |
| P&L | BILLED | | Total 2015 |
| | Q2 - Q3 2015 | Q4 2015 | |
| Salary, Bonus and Benefits | | | |
| Salary and cash in lieu of car | \$ 167,600 | \$ 159,457 | \$ 327,057 |
| Taxes (ER) | 7,084 | 5,124 | 12,208 |
| 401(K) match | 0 | 1,531 | 1,531 |
| Health Benefits, Life Insurance, 401k enhancement etc | 12,916 | 15,000 | 27,916 |
| 2015 LTRP Expense | 0 | 6,345 | 6,345 |
| 2015 LTI (New) | | 125,000 | 125,000 |
| SSP | 16,760 | 8,380 | 25,140 |
| Bonus | 0 | 0 | 0 |
| Subtotal Salary, Bonus, and Benefits | \$ 204,360 | \$ 320,837 | \$ 525,197 |
| Other Costs | | | |
| Travel Costs | \$ 43,070 | \$ 25,000 | \$ 68,070 |
| Accounting and Payroll Services Provided by PPLP | 1,650 | 825 | 2,475 |
| TXP (tax preparation service) | 87 | 44 | 131 |
| Bank service charge | 44 | 22 | 66 |
| Ceridian Processing Fees | 0 | 0 | 0 |
| Reimbursement of tax payments | 0 | 0 | 0 |
| Rent Exp | 750 | 375 | 1,125 |
| LTRP expense | 0 | 0 | 0 |
| One time relocation costs | 0 | 0 | 0 |
| Other Costs | 2,670 | 0 | 2,670 |
| True up for actual/ prior year expenses | 0 | 0 | 0 |
| Subtotal Other Costs | \$ 48,271 | \$ 26,266 | \$ 74,537 |
| Total expense | \$ 252,631 | \$ 347,103 | \$ 599,734 |
| Recharge to PPLP: | | | |
| - Salary, Bonus and Benefits recharged at Cost plus 7.5% | (219,687) | (344,900) | (564,587) |
| - Other Costs invoiced with no mark-up | (48,271) | (26,266) | (74,537) |
| Total recharge | \$ (267,958) | \$ (371,165) | \$ (639,123) |
| Net Income | \$ (15,327) | \$ (24,063) | \$ (39,390) |

Exhibit 1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

The calculation of the amount due under the agreement with MIL USA is tracked via spreadsheet by Purdue (2017 illustrated below with payment amounts in yellow). These payments reconcile to the individual payment line items in SAP on slide 66. Despite the 10% stipulated in the agreement, only a 7.5% markup was applied to salary-related expenses (salary, bonus, long-term incentives, retention, benefits, etc.).

| Mundipharma International Limited (USA) | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Company 543 | | | | |
| 2017 Billing to PPLP | | | | |
| | BILLED Q1 2017 | BILLED Q2 2017 | BILLED Q3 2017 | BILLED Q4 2017 |
| | | | | Total 2017 |
| P&L | | | | |
| Salary, Bonus and Benefits | | | | |
| Salary and cash in lieu of car | \$ 170,233 | \$ 198,605 | \$ 175,044 | \$ 662,910 |
| Taxes (ER) | 12,703 | 8,813 | 3,164 | 10,350 |
| Taxes (ER) - Add'l charge for true up due to LTI pymt in 3/16 | | | 0 | 0 |
| 401(K) match | 3,669 | 4,281 | 5,077 | 3,173 |
| Health Benefits, Life Insurance, 401k enhancement etc | 28,500 | 28,500 | 28,500 | 28,500 |
| 2015 - 2016 LTRP Expense (Billed in Dec) | 0 | 0 | 0 | 0 |
| 2015- 2016 LTI (New- Billed in Dec) | 0 | 0 | 0 | 0 |
| SSP | 0 | 3,865 | 8,040 | 50,884 |
| SSP- Add'l charge for true up due to LTI pymt in 3/16 | 0 | 0 | 0 | 0 |
| Bonus (Billed when paid) | 0 | 0 | 0 | 0 |
| True up for actual/ Jan- June current expenses | 215,105 | 244,064 | 256,332 | 755,817 |
| Subtotal Salary, Bonus, and Benefits | \$ 41,750 | \$ 30,000 | \$ 30,000 | \$ 131,750 |
| Other Costs | | | | |
| Travel Costs | 1,320 | 1,320 | 1,320 | 1,320 |
| Accounting and Payroll Services Provided by PPLP | 90 | 90 | 90 | 90 |
| TRP (tax preparation service) | 1,875 | 1,875 | 1,875 | 80,000 |
| Consultant Fee | 75 | 75 | 75 | 75 |
| Bank service charge | 350 | 350 | 350 | 350 |
| Cerdian Processing Fees | 0 | 0 | 0 | 0 |
| Reimbursement of tax payments | 1,080 | 1,080 | 1,080 | 1,080 |
| Rent Exp | 0 | 0 | 0 | 0 |
| One time relocation costs | 0 | 0 | 0 | 0 |
| Fleet Related Expenses | 3,750 | 3,750 | 3,750 | 3,750 |
| Seminars & Symposia | 1,313 | 1,313 | 1,400 | 1,400 |
| Other Costs | 479 | 479 | 200 | 200 |
| True up for actual/ Jan- June current expenses | 320,524 | 25,556 | 0 | 0 |
| True up for actual/ prior year expenses | 372,606 | 65,888 | 105,625 | 118,265 |
| Subtotal Other Costs | \$ 587,711 | \$ 309,952 | \$ 361,957 | \$ 874,082 |
| Total expense | | | | \$ 2,133,702 |
| Recharge to PPLP: | | | | |
| - Salary, Bonus and Benefits recharged at Cost plus 7.5% | (231,238) | (262,369) | (275,557) | (812,503) |
| - Other Costs invoiced with no mark-up | (372,606) | (65,888) | (105,625) | (118,265) |
| Total recharge | \$ (603,844) | \$ (328,257) | \$ (381,182) | \$ (930,768) |
| Net income | \$ (16,133) | \$ (18,305) | \$ (19,225) | \$ (56,686) |
| | | | | \$ (110,349) |

Exhibit 1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

Below is an example of a cash payment in 2018 (for 4th quarter 2017 services rendered) which was recognized as follows in Mundipharma International Limited (USA)'s accounting records. MITOL also recognized cash payments in a similar manner to MIL USA.

| Account Number | Account Description | DR | CR |
|----------------|---|------------|--------------|
| 100010 | Cash Concentration | \$ 930,768 | |
| 101040 | A/R Clearing Account | | \$ (930,768) |
| 101040 | A/R Clearing Account | \$ 930,768 | |
| 101016 | PPLP A/R Customer Account (Customer # 1231) | | \$ (930,768) |

Exhibit 1A: Intercompany transfers between Purdue and Mundipharma International Limited (USA) for manufacturing services support

These entries appear in SAP as follows:

Document Overview - Display

Doc.Type : SA (G/L account document) Normal document
Doc. Number 100001141 Company Code 543 Fiscal Year 2018
Doc. Date 15.01.2018 Posting Date 14.01.2018 Period 01
Calculate Tax ☐ CNS
Ref.Doc. USD
Doc. Currency USD
Doc. Hdr Text CTMS43 01082018-01142018

| Item | PK | Account | Account short text | Cost Ctr | Profit Ctr | Order | Tx | Amount | Text |
|------|----|---------|-----------------------|----------|------------|-------|----|------------|--|
| 1 | 40 | 100010 | Cash Concentration | | GEN | | | 930,768.00 | INVOICE MI-127 QUARTERLY SERVICES CHARGE FOR 4Q17 |
| 2 | 40 | 100010 | Cash Concentration | | GEN | | | 950,753.00 | 78658368 MUNDIPHARMA INTERNATIONAL TECHNICALCAMERI |
| 3 | 50 | 101040 | A/R Clearing (Trade) | | GEN | | | 930,768.00 | INVOICE MI-127 QUARTERLY SERVICES CHARGE FOR 4Q17 |
| 4 | 50 | 101045 | A/R Clring (NonTrade) | | GEN | | | 950,753.00 | 78658368 MUNDIPHARMA INTERNATIONAL TECHNICALCAMERI |

Document Overview - Display

Doc.Type : DZ (Customer payment) Normal document
Doc. Number 1400000033 Company Code 543 Fiscal Year 2018
Doc. Date 09.01.2018 Posting Date 10.01.2018 Period 01
Calculate Tax ☐ PD WT 1/9/18
Ref.Doc.
Doc. Currency USD
Doc. Hdr Text 6930,768.00 MI-127

| Item | PK | Account | Account short text | Cost Ctr | Profit Ctr | Order | Tx | Amount | Text |
|------|----|---------|----------------------|----------|------------|-------|----|------------|------|
| 1 | 40 | 101040 | A/R Clearing (Trade) | | | | | 930,768.00 | |
| 2 | 15 | 1231 | PURDUE PHARMA LP | | GEN | | | 930,768.00 | |

Display Document: Line Item 002

Customer 1231 PURDUE PHARMA LP G/L Acc 101016
CoCode 543 ONE STAMFORD FORUM
Mundipharma Int'L Ltd. STAMFORD Doc. No. 1400000033
Line Item 2 / Incoming payment / 15
Amount 930,768.00 USD

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

On April 6, 2006, Purdue entered into a lease agreement with One Stamford Realty L.P., the landlord, for the following space at One Stamford Forum (the "OSF Lease"):

LEASE, dated as of April 6, 2006 (as may be amended, modified or supplemented from time to time, this "Lease"), between ONE STAMFORD REALTY L.P., a Delaware limited partnership, whose address is One Stamford Forum, 201 Tresser Boulevard, Stamford, Connecticut 06901 ("Landlord"), and PURDUE PHARMA L.P., a Delaware limited partnership, whose address is One Stamford Forum, 201 Tresser Boulevard, Stamford, Connecticut 06901 ("Tenant");

WITNESSETH

WHEREAS, Landlord is willing to lease to Tenant and Tenant is willing to hire from Landlord, on the terms and conditions hereinafter set forth, certain space in the office building located at One Stamford Forum, Stamford, Connecticut (the "Building") on the land more particularly described in Exhibit A (the "Land"; the Land and the Building are collectively called the "Project");

NOW, THEREFORE, Landlord and Tenant agree as follows:

1.01 Demise. (a) Landlord hereby leases to Tenant and Tenant hereby hires from Landlord, subject to the terms and conditions of this Lease, the P-1 floor (including but not limited to the data centers), the P-2 floor, the P-3 floor, the plaza floor, the 4th floor, the 5th floor, the 6th floor, the 7th floor, the 8th floor, the 9th and 10th floors of the Building (collectively, the "Premises"), substantially as shown on the plans thereof attached hereto as Exhibit B.

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

According to the lease agreement, Purdue agreed to pay the following rent by floor:

| <u>Exhibit D</u> | | | |
|-------------------|---|-----------------|------------------------|
| FIXED RENT | | | |
| A. | In respect of the Data Center: | | |
| | From January 1, 2006 through December 31, 2020 | \$75x11,696= | \$73,100 per month |
| B. | In respect of the P-1 and P-2 Floors (together): | | |
| | From January 1, 2006 through December 31, 2010 | \$15x8,078= | \$10,097.50 per month |
| | From January 1, 2011 through December 31, 2015 | \$16.50x8,078= | \$11,107.25 per month |
| | From January 1, 2016 through December 31, 2020 | \$18x8,078= | \$12,117.00 per month |
| C. | In respect of the P-3 Floor | | |
| | From January 1, 2006 through December 31, 2020 | \$20x34,441= | \$57,401.66 per month |
| D. | In respect of the Plaza Floor: | | |
| | From January 1, 2006 through December 31, 2008 | \$39 x 18,157 = | \$59,010.25 per month |
| | From January 1, 2009 through December 31, 2010 | \$40 x 18,157 = | \$60,523.33 per month |
| | From January 1, 2011 through December 31, 2015 | \$41 x 18,157 = | \$62,036.42 per month |
| | From January 1, 2016 through December 31, 2020 | \$43 x 18,157 = | \$65, 062.58 per month |
| E. | In respect of the 6th Floor: | | |
| | From January 1, 2006 through December 31, 2008 | \$39 x 53,482 = | \$173,816.50 per month |
| | From January 1, 2009 through January 31, 2009 | \$40 x 53,482 = | \$178,273.33 per month |
| F. | In respect of the 7th Floor: | | |
| | From January 1, 2006 through December 31, 2008 | \$39 x 50,670 = | \$164,677.50 per month |
| | From January 1, 2009 through January 31, 2009 | \$40 x 50,670 = | \$168,900.00 per month |
| G. | In respect of the 8th Floor: | | |
| | From January 1, 2006 through December 31, 2008 | \$39 x 61,377 = | \$199,475.25 per month |
| | From January 1, 2009 through December 31, 2010 | \$40 x 61,377 = | \$204,590.00 per month |
| | From January 1, 2011 through December 31, 2015 | \$41 x 61,377 = | \$209,704.75 per month |
| | From January 1, 2016 through December 31, 2020 | \$43 x 61,377 = | \$219,934.25 per month |
| H. | In respect of the 9th and 10th Floors (together): | | |
| | From January 1, 2006 through December 31, 2007 | \$45 x 94,643 = | \$354,911.25 per month |
| | From January 1, 2008 through December 31, 2008 | \$46 x 94,643 = | \$362,798.16 per month |
| | From January 1, 2009 through December 31, 2010 | \$47 x 94,643 = | \$370,685.08 per month |
| | From January 1, 2011 through December 31, 2015 | \$48 x 94,643 = | \$378,572.00 per month |
| | From January 1, 2016 through December 31, 2020 | \$50 x 94,643 = | \$394,345.83 per month |

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

According to the lease agreement, Purdue agreed to pay electric, tax and operating expenses.

2.03 Additional Rent. “Additional Rent” means Tax Payments, Operating Payments and all other sums of money at any time payable by Tenant under this Lease, all of which Additional Rent shall be deemed to be rent.

2.07 Electric Charges. (a) Tenant’s demand for, and consumption of, electricity for the Premises shall be determined by meter or meters installed by Landlord on or before the Commencement Date. Tenant shall pay for electric consumption within 30 days after rendition of a bill therefor (but in no event more than 15 days before Landlord’s payment for the applicable period is due to the public utility), which bill shall reflect the aggregate charge for electricity for the Premises, as determined by or on behalf of Landlord separately for each meter.

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

On May 3, 2006, UBS agreed to lease the 6th, 7th and 8th floors at One Stamford Forum (the "UBS Sublease") which reduced Purdue's contractual rental payments owed to One Stamford Realty.



UBS AG
Stamford Branch
477 Westchester Boulevard
Stamford, CT 06901
Telephone 203 719-3000
www.ubs.com

May 3, 2006

By Overnight Courier

One Stamford Realty L.P.
One Stamford Forum
201 Tresser Boulevard
Stamford, Connecticut 06901
Attention: Edward B. Mahony

Re: One Stamford Forum, Stamford, Connecticut

Dear Mr. Mahony:

Reference is made to the Lease, dated as of December 30, 2005, between One Stamford Realty L.P., as landlord ("Landlord"), and UBS AG, acting through its Stamford Branch, as tenant ("UBS"), with respect to portions of the building located at One Stamford Forum, Stamford, Connecticut (the "Lease"). All capitalized terms used but not otherwise defined in this letter shall have the meanings ascribed to them in the Lease.

This letter constitutes an "8th Floor Election Notice" under Section 1.01(a) of the Lease. UBS hereby notifies Landlord that UBS desires to include the 8th floor of the Building in the Premises initially demised under the Lease. As a result thereof:

1. Phase 3 of the Premises shall consist of the 7th and 8th floors of the Building with a Scheduled Commencement Date of April 1, 2008.
2. Phase 4 of the Premises shall consist of the 6th floor of the Building with a Scheduled Commencement Date of May 4, 2007.

Very truly yours,
UBS AG, acting through its Stamford Branch
By: [Redacted]
By: [Redacted]
Title: *Thinking Purdue*

Cc: One Stamford Realty L.P.
One Stamford Forum
201 Tresser Boulevard
Stamford, Connecticut 06901
Attention: Howard R. Udel

(By overnight courier)

P:\One Stamford Forum 8th Floor Election Notice (05-03-06).doc

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

Effective February 28, 2008 and January 26, 2009, UBS began paying rent on the 6th, 7th and 8th floors. Pursuant to UBS's "8th Floor Election Notice" Letter (on the previous slide and excerpted below), these dates are equal to 300 days after the Commencement Date for each respective "Phase."

(iii) "Phase 3 Rent Commencement Date" means the later of (A) February 1, 2009 and (B) the date that is 300 days after the Commencement Date for Phase 3.

(iv) "Phase 4 Rent Commencement Date" means the date that is 300 days after the Commencement Date for Phase 4.

This letter constitutes an "8th Floor Election Notice" under Section 1.01(a) of the Lease. UBS hereby notifies Landlord that UBS desires to include the 8th floor of the Building in the Premises initially demised under the Lease. As a result thereof:

1. Phase 3 of the Premises shall consist of the 7th and 8th floors of the Building with a Scheduled Commencement Date of April 1, 2008.
2. Phase 4 of the Premises shall consist of the 6th floor of the Building with a Scheduled Commencement Date of May 4, 2007.

Very truly yours,
UBS AG, acting through its Stamford Branch

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

Effective July 1, 2018, Purdue entered into a services agreement with One Stamford Realty L.P. for additional facilities and administrative services.

Services Agreement

Facilities and Administrative Services

One Stamford Realty L.P. (“OSR”) and Purdue Pharma LP (“PPLP”)

This Services Agreement (“Services Agreement”) is entered into by and between OSR and PPLP and shall be effective as of July 1, 2018 (“Services Agreement Effective Date”).

RECITALS

WHEREAS, OSR has provided and continues to provide certain services to PPLP and its subsidiaries related to the One Stamford Forum property (as defined in the Lease) pursuant to that certain Lease dated as of April 6, 2006 between OSR and PPLP (as amended) (the “Lease”) and PPLP compensates OSR for those services in accordance with the provisions of the Lease; and

WHEREAS, PPLP has requested that OSR provide certain additional facilities and administrative services (collectively, the “Services”) to PPLP and its subsidiaries as set forth in this Services Agreement and on Exhibit 1 attached hereto and made a part hereof.

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

According to the services agreement, Purdue agreed to pay a fixed fee as set forth below.

Compensation: OSR's fee for services performed under this Services Agreement shall be comprised of an annual fixed fee (the "Fixed Fee") representing the amount payable for "Fixed Fee Services" (as set forth in Exhibit 1) provided in a given calendar year. The Fixed Fee will be billed quarterly in advance in equal installments and paid 15 days before the start of the quarter. The Fixed Fee for 2019 is [REDACTED] and the quarterly billing for 2019 is [REDACTED]

The Fixed Fee in 2020 shall be equal to the Fixed Fee for 2019 year increased by [REDACTED] provided (i) PPLP is still a tenant in One Stamford Forum and (ii) there have been no material changes at the senior staff level at OSR. In the event the conditions of items (i) or (ii) change in 2020 or before, the parties will renegotiate the Fixed Fee for 2020 and execute a written amendment to this Services Agreement detailing the revised services to be performed and the cost for such services. The Fixed Fee in 2021 and thereafter will be determined as set forth below. For the avoidance of doubt, the fee for services from Services Agreement Effective Date to December 31, 2018 have been fully paid by PPLP and OSR.

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

From January 1, 2008 to September 15, 2019, Purdue paid \$105.0 million¹ to One Stamford Realty L.P. pursuant to the OSF Lease and Services Agreement (net of the UBS Sublease).

| Year | Rent | Electric | Real Estate Tax | Operating Expenses | Administrative Services Fees | Total Payments |
|--------------|----------------------|---------------------|---------------------|---------------------|------------------------------|-----------------------|
| 2008 | \$ 11,232,286 | \$ 629,749 | \$ 467,192 | \$ 177,957 | n/a | \$ 12,507,183 |
| 2009 | 6,929,840 | 683,394 | 413,073 | 181,625 | n/a | 8,207,931 |
| 2010 | 6,872,101 | 841,979 | 513,691 | 306,791 | n/a | 8,534,562 |
| 2011 | 6,986,608 | 734,650 | 530,019 | 284,191 | n/a | 8,535,468 |
| 2012 | 6,986,608 | 710,058 | 549,499 | 250,043 | n/a | 8,496,208 |
| 2013 | 6,986,608 | 724,127 | 495,018 | 276,042 | n/a | 8,481,795 |
| 2014 | 6,986,608 | 580,193 | 442,825 | 163,787 | n/a | 8,173,413 |
| 2015 | 7,006,418 | 507,245 | 466,461 | 252,032 | n/a | 8,232,156 |
| 2016 | 7,224,325 | 500,637 | 489,139 | 350,689 | n/a | 8,564,790 |
| 2017 | 7,224,325 | 522,069 | 513,254 | 301,303 | n/a | 8,560,951 |
| 2018 | 7,224,325 | 579,368 | 556,504 | 394,044 | 548,619 | 9,302,860 |
| 2019 | 5,418,244 | 477,244 | 499,575 | 378,730 | 658,957 | 7,432,750 |
| Total | \$ 87,078,294 | \$ 7,490,713 | \$ 5,936,250 | \$ 3,317,234 | \$ 1,207,576 | \$ 105,030,067 |

¹Electric, real estate tax, and administrative and operating expenses are based on a TXP analysis. AlixPartners needs to confirm the amounts with TXP.

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

According to PPLP's accounting records in SAP, the annual rent payments were recorded on PPLP's books (SAP company code 208) through G/L account 130160 (Deposits on Long Term Assets). The rent payments for 2008 and 2018 are illustrated below.

| G/L Account Line Item Display | | | | | | | | | | | | | |
|---|------------|--------------|------------|--------|------------|------|----------|-------------------------|---------|------------|----------------------------|----------------------|-------------|
| G/L Account 130160 Deposits on Long Term Assets Company Code 208 | | | | | | | | | | | | | |
| CoCd | DocumentNo | Posting Date | Doc. Date | Period | Year/month | Type | Cost Ctr | Reference | Account | Profit Ctr | Text | Amount in local cur. | LCurr Order |
| 208 | 1900035702 | 21.01.2008 | 21.01.2008 | 1 | 2008/01 | KR | | 12108 | 130160 | GEN | MONTHLY RENT | 1,089,533.89 | USD |
| 208 | 1900037036 | 25.02.2008 | 25.02.2008 | 2 | 2008/02 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900038205 | 25.03.2008 | 25.03.2008 | 3 | 2008/03 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900039526 | 25.04.2008 | 25.04.2008 | 4 | 2008/04 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900040869 | 25.05.2008 | 25.05.2008 | 5 | 2008/05 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900042342 | 25.06.2008 | 25.06.2008 | 6 | 2008/06 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900043693 | 25.07.2008 | 25.07.2008 | 7 | 2008/07 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900045136 | 25.08.2008 | 25.08.2008 | 8 | 2008/08 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900046599 | 25.09.2008 | 25.09.2008 | 9 | 2008/09 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900047923 | 25.10.2008 | 25.10.2008 | 10 | 2008/10 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900049148 | 25.11.2008 | 25.11.2008 | 11 | 2008/11 | KR | | MONTHLY RENT OSR 130160 | 130160 | GEN | MONTHLY RENT FOR YEAR 2008 | 926,560.32 | USD |
| 208 | 1900050497 | 18.12.2008 | 16.12.2008 | 12 | 2008/12 | KR | | 121608 | 130160 | GEN | RENT FOR JANUARY 2008 | 877,148.45 | USD |
| * | | | | | | | | | | | | 11,232,285.54 | USD |

| G/L Account Line Item Display | | | | | | | | | | | | | |
|---|------------|--------------|------------|--------|------------|------|----------|-----------|---------|------------|------|----------------------|-------------|
| G/L Account 130160 Deposits on Long Term Assets Company Code 208 | | | | | | | | | | | | | |
| d | DocumentNo | Posting Date | Doc. Date | Period | Year/month | Type | Cost Ctr | Reference | Account | Profit Ctr | Text | Amount in local cur. | LCurr Order |
| | 1900167184 | 20.01.2018 | 20.01.2018 | 1 | 2018/01 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900167689 | 20.02.2018 | 20.02.2018 | 2 | 2018/02 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900168120 | 20.03.2018 | 20.03.2018 | 3 | 2018/03 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900168525 | 20.04.2018 | 20.04.2018 | 4 | 2018/04 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900169455 | 20.05.2018 | 20.05.2018 | 5 | 2018/05 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900170215 | 20.06.2018 | 20.06.2018 | 6 | 2018/06 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900170793 | 20.07.2018 | 20.07.2018 | 7 | 2018/07 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900171434 | 20.08.2018 | 20.08.2018 | 8 | 2018/08 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900172068 | 20.09.2018 | 20.09.2018 | 9 | 2018/09 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900172819 | 20.10.2018 | 20.10.2018 | 10 | 2018/10 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900173527 | 20.11.2018 | 20.11.2018 | 11 | 2018/11 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| | 1900174305 | 20.12.2018 | 20.12.2018 | 12 | 2018/12 | KR | | OSR RENT | 130160 | GEN | | 602,027.08 | USD |
| * | | | | | | | | | | | | 7,224,324.96 | USD |

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

Cash rent payments to One Stamford Realty L.P. were recognized as follows in PPLP's accounting records (January 2009 rent, payable in December 2008 is illustrated below):

| Account Number | Account Description | DR | CR |
|----------------|------------------------------|------------|--------------|
| 130160 | Deposits on Long Term Assets | \$ 877,148 | |
| 200000 | Accounts Payable | | \$ (877,148) |
| 200000 | Accounts Payable | \$ 877,148 | |
| 100010 | Cash Concentration | | \$ (877,148) |

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

These entries appear in PPLP’s accounting records in SAP as follows (January 2009 rent, payable in December 2008 is illustrated below):

Doc.Type : KR (Vendor invoice) Normal document
Doc. Number 1900050497 Company Code 208 Fiscal Year 2008
Doc. Date 16.12.2008 Posting Date 18.12.2008 Period 12
Calculate Tax ☒
Ref.Doc. 121608
Doc. Currency USD

| Itm | FK Account | Account short text | Cost Ctr | Profit Ctr | Order | Tx | Amount | Text |
|-----|------------|---------------------|----------|------------|-------|----|-------------|-----------------------|
| 1 | 31 1004140 | ONE STAMFORD REALTY | | GEN | | U1 | 877.148,45- | RENT FOR JANUARY 2008 |
| 2 | 40 130160 | Deposits On Assets | | GEN | | | 877.148,45 | RENT FOR JANUARY 2008 |

Doc.Type : KZ (Vendor payment) Normal document
Doc. Number 1500002537 Company Code 208 Fiscal Year 2008
Doc. Date 31.12.2008 Posting Date 31.12.2008 Period 12
Calculate Tax ☐
Ref.Doc. WIRE TRANSFER
Doc. Currency USD

Note: text box above incorrectly states "2008" instead of "2009"

| Itm | FK Account | Account short text | Cost Ctr | Profit Ctr | Order | Tx | Amount | Text |
|-----|------------|---------------------|----------|------------|-------|----|-------------|------|
| 1 | 50 100010 | Cash Concentration | | GEN | | | 877.148,45- | |
| 2 | 25 1004140 | ONE STAMFORD REALTY | | GEN | | | 877.148,45 | |

Display Document: Line Item 002

Vendor 1004140
Company Code 208
Purdue Pharma L.P.
Line Item 2 / Outgoing payment / 25
Amount 877.148,45 USD

ONE STAMFORD REALTY LP
201 TRESSER BLVD
STAMFORD
Doc. no. 1500002537

G/L Acc 200000

Additional Data Withholding Tax Data

Exhibit 1B: Intercompany transfers between Purdue and One Stamford Realty L.P. for office space at One Stamford Forum

These entries appear in PPLP’s accounting records in SAP as follows (January 2019 rent, payable in December 2018 is illustrated below):

Document Overview - Display

Doc.Type : KR (Vendor invoice) Normal document
Doc. Number 1900174305 Company Code 208 Fiscal Year 2018
Doc. Date 20.12.2018 Posting Date 20.12.2018 Period 12
Calculate Tax ☐
Ref.Doc. OSR RENT
Doc. Currency USD
Doc. Hdr Text OSR Rent

| Item | PK | Account | Account short text | Cost Ctr | Profit Ctr | Order | Tx | Amount | Text |
|------|----|---------|---------------------|----------|------------|-------|----|--------------|----------|
| 1 | 31 | 1004140 | ONE STAMFORD REALTY | | GEN | | | 602.027,08-- | OSR Rent |
| 2 | 40 | 130160 | Deposits On Assets | | GEN | | | 602.027,08 | |

Document Overview - Display

Doc.Type : ZP (Payment posting) Normal document
Doc. Number 2000150351 Company Code 208 Fiscal Year 2018
Doc. Date 20.12.2018 Posting Date 20.12.2018 Period 12
Calculate Tax ☐
Doc. Currency USD
Payment Run ID 20.12.2018 - PAY5

| Item | PK | Account | Account short text | Cost Ctr | Profit Ctr | Order | Tx | Amount | Text |
|------|----|---------|---------------------|----------|------------|-------|----|--------------|------|
| 1 | 25 | 1004140 | ONE STAMFORD REALTY | | GEN | | | 602.027,08 | |
| 2 | 50 | 1000010 | Cash Concentration | | GEN | | | 602.027,08-- | |

Display Document: Line Item 001

Vendor 1004140 ONE STAMFORD REALTY LP
Company Code 208 201 TRESSER BLVD
Purdue Pharma L.P.
Line Item 1 / Outgoing payment / 25
Amount 602.027,08 USD

Doc. no. 2000150351
Doc. Date 20.12.2018
Doc. Period 12

Exhibit 1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services

On January 1, 2008, Purdue entered into a security services agreement with PPTI, the service provider.

SECURITY SERVICES AGREEMENT

This Security Services Agreement (the "Agreement") effective as of January 1, 2008 by and between Purdue Pharma L.P., a Delaware limited partnership ("PPLP"), and Purdue Pharma Technologies Inc., a Delaware corporation ("PPTI"),

W I T N E S S E T H :

WHEREAS, PPTI is engaged in the security services business; and

WHEREAS, PPLP wishes to engage PPTI to perform security services in support of PPLP's business;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Direction of Services. At all times the services provided by PPTI to PPLP shall be subject to the direction and control of PPLP. PPTI shall consult with PPLP before incurring any expense or making any commitment for the benefit of PPLP that would give rise to an obligation on the part of PPLP to reimburse PPTI in the amount of \$1,000 or more or, in the case of a commitment involving periodic expenditures, in the aggregate amount of \$5,000 or more during any calendar year during the term of this Agreement.

2. Services to be Provided. During the term of this Agreement and subject to the provisions hereof, PPLP agrees to retain the services of PPTI to provide the following services:

(a) Security and security related services to be provided at such facilities as PPLP shall direct; and

(b) Such further services as may be agreed to from time to time, provided that such agreement is evidenced by a written amendment to this Agreement.

Exhibit 1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services

Pursuant to the security services agreement, Purdue agreed to pay costs and expenses incurred by PPTI plus a markup of 10%.

4. Invoices and Payment.

(a) Within thirty (30) days of the last day of each calendar quarter ending on the last day of each March, June, September and December (each a "Calendar Quarter"),

PPTI shall submit to PPLP an invoice summarizing the costs and expenses incurred by PPTI in providing its services hereunder during such Calendar Quarter and containing a service charge in the amount of ten percent (10%) of such costs and expenses.

(b) Unless otherwise agreed, within thirty (30) days of receipt of PPTI's invoice pursuant to Section 4(a) above, PPLP shall pay the amount invoiced by PPTI for its services hereunder.

Exhibit 1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services

PPTI also provided Internal Audit and Environmental, Health & Safety (“EHS”) services to Purdue beginning in 2008; however, per discussions with Purdue and TXP there is no written agreement for these services.

Between January 1, 2008 and December 31, 2015, Purdue was charged \$100.1 million by PPTI for these various services (costs and expenses plus a 10% markup of \$9.1 million).¹ PPTI’s services were discontinued as of 2015.

| Year | Security Charges | EHS Charges | Internal Audit Charges | Total Service Charges |
|--------------|----------------------|----------------------|---------------------------|--------------------------|
| 2008 | \$ 7,483,326 | \$ 4,558,375 | \$ 224,233 | \$ 12,265,934 |
| 2009 | 7,466,631 | 5,416,074 | 492,527 | 13,375,232 |
| 2010 | 8,102,142 | 6,033,538 | 833,782 | 14,969,462 |
| 2011 | 8,165,239 | 6,746,851 | 730,625 | 15,642,715 |
| 2012 | 7,885,712 | 6,134,915 | 754,284 | 14,774,911 |
| 2013 | 6,933,088 | 3,569,348 | 969,354 | 11,471,790 |
| 2014 | 5,192,813 | 3,079,809 | 484,715 | 8,757,337 |
| 2015 | 5,387,673 | 2,941,390 | 551,484 | 8,880,547 |
| Total | \$ 56,616,624 | \$ 38,480,300 | \$ 5,041,004 | \$ 100,137,928 |

¹Amounts presented in this chart represent intercompany charges recognized in various expense accounts of PPLP (SAP company code 208) in SAP.

Amounts charged to Purdue by PPTI (SAP company code 409) for security, EHS, and internal audit expenses were credited to various expense accounts in SAP, including "mark up" accounts for service charges. Charges for 2008 are illustrated below.

[illegible][illegible]

Exhibit 1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services

Amounts charged for internal audit, security, and EHS were not settled in cash on a regular basis between PPTI and PPLP; rather, PPLP would fund the balance in account 102409 (Intercompany Account – PPTI) on an ad hoc basis.

PPLP's intercompany activity with PPTI for 2015 is illustrated below.

<

Exhibit 1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services

From 2012 to 2017, at Ernst & Young's ("E&Y") request, Purdue prepared an intercompany analysis of account 102409 (SAP company code 208). The 2015 PPTI intercompany analysis is illustrated below with relevant cells highlighted, including the ad hoc cash payments used to fund intercompany activities.¹ The beginning and ending balances reconcile to the SAP balances on the previous slide.

PP Tech Intercompany Analysis As of December 31, 2015

| Description | 109 | 208 | 213 | 219 | 240 | 241 | 307 | 313 | 318 | Total |
|--|-----------|--------------|-----|-------------|-----|-------------|--------------|-------------|-----------|--------------|
| Beginning Balance | - | (7,940,255) | - | - | - | - | - | - | - | (7,940,255) |
| Fundings | - | 16,550,000 | - | - | - | - | - | - | - | 16,550,000 |
| Reconciliation Posting CO | (465,425) | (6,000,769) | - | (1,707,224) | - | - | - | - | (155,946) | (8,329,063) |
| Inventory Sweep Entry | - | - | - | - | - | (6,119,334) | (10,430,484) | (3,761,270) | - | (20,311,089) |
| Third Party Manufacturing | - | - | - | - | - | (380,689) | (342,076) | (791,373) | - | (1,514,139) |
| Purchase Price Variance | - | - | - | - | - | (12,172) | 1,857,664 | 761 | - | 1,846,253 |
| Contract Overhead | - | - | - | - | - | - | 505,645 | 829,218 | - | 1,334,863 |
| Commission | - | - | - | - | - | (811,985) | (203,568) | - | - | (1,015,553) |
| Benefits | 4,458 | 1,165,273 | - | 7,895 | - | - | - | - | - | 1,177,626 |
| Fleet Costs | - | 101,724 | - | - | - | - | - | - | - | 101,724 |
| Internal Audit Charge including markup | - | (564,906) | - | - | - | - | - | - | - | (564,906) |
| ExpenseSite | - | 194,221 | - | - | - | - | - | - | - | 194,221 |
| Comdata Payments | - | 738,684 | - | - | - | - | - | - | - | 738,684 |
| Intercompany Interest | (776) | (134,445) | - | (3,539) | - | (14,060) | (15,248) | (8,294) | (279) | (176,640) |
| Other | (6,791) | (20,177) | - | (31,611) | - | - | 189 | 12,115 | 26,023 | (20,251) |
| LCD Entry | 468,234 | (22,017,876) | - | 1,734,478 | - | 7,338,241 | 8,627,879 | 3,718,843 | 130,201 | 0 |
| Ending Balance | - | (17,928,526) | - | - | - | - | - | - | - | (17,928,526) |

Note 1 - represents the cost plus 10% markup of EHS and security services provided by PP Tech to various entities. See Attachment 1.

Note 2 - represents charges for CIGNA, Anthem, Medco, United Healthcare, 401k, etc. charges that are provided to employees of PP Tech and paid for by PPLP.

Note 3 - represents amounts due to PP Tech relating to inventory that is procured by PP Tech and then sold to companies 241, 307 and 313 "distribution companies" which are the companies which sell Purdue products. See Attachment 2.

Note 4 - represents 3rd party manufacturing related work commissioned by PP Tech on behalf of the distribution companies, including brokerage commission and commission expense.

Note 5 - PPV relates to inventoried materials (raw, packaging, finished). PPV is the difference between our standard cost (USC) vs. the actual cost. Because the relationship between Purdue and contract manufacturers is conducted under company 409 all costs are moved out of company 409 to the distributing company at month end and assessed a 5% brokerage commission.

¹ The Purdue entities receiving internal audit, security, and EHS services from PPTI are The P.F. Laboratories Inc. (SAP company code 109), Purdue Pharma L.P. (SAP company code 208), Purdue Pharmaceuticals L.P. (SAP company code 219), and Purdue Pharma Manufacturing L.P. (SAP company code 218).

Exhibit 1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services

The ad hoc cash payments made by PPLP used to fund intercompany activities with PPTI in 2015 are illustrated below. These amounts reconcile to the ad hoc cash payments labeled “fundings” from the previous slide.

| G/L Account Line Item Display | | | | | | | | | | | | |
|---|---------------|------------|------------|--------|------------|------|----------|-----------|---------|-----------------|----------------------|-------------|
| G/L Account 102409 Purdue Pharma Technologies Inc. Company Code 208 | | | | | | | | | | | | |
| CoCd | DocumentNo | Patng Date | Doc. Date | Period | Year/month | Type | Cost Ctr | Reference | Account | Profit Ctr Text | Amount in local cur. | ICurr Order |
| <input type="checkbox"/> | 208 100144929 | 18.01.2015 | 03.02.2015 | 1 | 2015/01 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100144932 | 18.01.2015 | 03.02.2015 | 2 | 2015/01 | SA | | CNS | 102409 | GEN | 450.000,00 USD | |
| <input type="checkbox"/> | 208 100146278 | 06.02.2015 | 25.02.2015 | 2 | 2015/02 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100146958 | 22.02.2015 | 04.03.2015 | 2 | 2015/02 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100147164 | 06.03.2015 | 17.03.2015 | 3 | 2015/03 | SA | | CNS | 102409 | GEN | 2.000.000,00 USD | |
| <input type="checkbox"/> | 208 100147952 | 22.03.2015 | 30.03.2015 | 3 | 2015/03 | SA | | CNS | 102409 | GEN | 9.000.000,00- USD | |
| <input type="checkbox"/> | 208 100148658 | 12.04.2015 | 22.04.2015 | 4 | 2015/04 | SA | | CNS | 102409 | GEN | 2.300.000,00 USD | |
| <input type="checkbox"/> | 208 100148687 | 19.04.2015 | 30.04.2015 | 4 | 2015/04 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100149326 | 17.05.2015 | 20.05.2015 | 5 | 2015/05 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100149398 | 24.05.2015 | 03.06.2015 | 5 | 2015/05 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100149968 | 07.06.2015 | 12.06.2015 | 6 | 2015/06 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100150036 | 21.06.2015 | 01.07.2015 | 6 | 2015/06 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100150682 | 12.07.2015 | 22.07.2015 | 7 | 2015/07 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100150697 | 19.07.2015 | 28.07.2015 | 7 | 2015/07 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100151375 | 09.08.2015 | 12.08.2015 | 8 | 2015/08 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100151395 | 23.08.2015 | 27.08.2015 | 8 | 2015/08 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100152032 | 13.09.2015 | 14.09.2015 | 9 | 2015/09 | SA | | CNS | 102409 | GEN | 1.500.000,00 USD | |
| <input type="checkbox"/> | 208 100152067 | 27.09.2015 | 28.09.2015 | 9 | 2015/09 | SA | | CNS | 102409 | GEN | 800.000,00 USD | |
| <input type="checkbox"/> | 208 100152796 | 11.10.2015 | 14.10.2015 | 10 | 2015/10 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100152871 | 31.10.2015 | 02.11.2015 | 10 | 2015/10 | SA | | CNS | 102409 | GEN | 500.000,00 USD | |
| <input type="checkbox"/> | 208 100153501 | 15.11.2015 | 16.11.2015 | 11 | 2015/11 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100153573 | 30.11.2015 | 01.12.2015 | 11 | 2015/11 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100154227 | 13.12.2015 | 15.12.2015 | 12 | 2015/12 | SA | | CNS | 102409 | GEN | 1.000.000,00 USD | |
| <input type="checkbox"/> | 208 100154298 | 20.12.2015 | 04.01.2016 | 12 | 2015/12 | SA | | CNS | 102409 | GEN | 2.000.000,00 USD | |
| <input checked="" type="checkbox"/> | | | | | | | | | | | 16.550.000,00 USD | |

Exhibit 1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services

The last ad hoc cash payment made by PPLP used to fund intercompany activities with PPTI in 2015 is illustrated below. This amount reconciles to the previous slide.

| Document Overview - Display | | | | | | | | | |
|---|----|---------|--------------------|----------|------------|-------|----|---------------|----------|
| <div><div>Doc.Type : SA (G/L account document) Normal document</div><div><div>Doc. Number100154298Company Code208Fiscal Year2015</div><div>Doc. Date04.01.2016Posting Date20.12.2015Period12</div><div>Calculate Tax<input type="checkbox"/></div><div>Ref.Doc.CMSOverall No.010001066540915</div><div>Doc. CurrencyUSD</div><div>Doc. Hdr TextCTW409 12142015-12202015</div></div></div> | | | | | | | | | |
| Item | PK | Account | Account short text | Cost Ctr | Profit Ctr | Order | Tx | Amount | Text |
| 1 | 50 | 100010 | Cash Concentration | | GEN | | | 2.000.000,00- | CORP PAY |
| 2 | 40 | 102409 | Purdue Pharma Tech | | GEN | | | 2.000.000,00 | |

Exhibit 1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services

The table below illustrates that for the years 2012 through 2017 (the years for which the intercompany reconciliation analysis was performed for E&Y):

- 1) Income statement charges roughly approximate balance sheet charges with annual variances due to timing differences; and
- 2) The difference between the balance sheet charges (\$161 million) and the ad hoc funding (\$156 million) is only \$5 million at the end of 2017, indicating that Purdue was making regular cash payments to satisfy the intercompany charges.¹

| Description | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Cumulative Total: 2012 - 2017 |
|---|----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------------|
| 3rd Party Purchasing: | | | | | | | |
| Balance Sheet Charges | \$ 32,522,583 | \$ 22,972,784 | \$ 22,926,201 | \$ 19,659,665 | \$ 20,310,947 | \$ 12,234,581 | \$ 130,626,761 |
| Income Statement Charges | 32,866,635 | 26,307,510 | 24,181,836 | 20,311,089 | 21,279,185 | 13,055,169 | 138,001,424 |
| Difference | (344,052) | (3,334,726) | (1,255,635) | (651,424) | (968,238) | (820,588) | (7,374,663) |
| Internal Audit, EHS, Security Services | | | | | | | |
| Balance Sheet Charges | 10,909,423 | 11,395,545 | 8,646,898 | 8,893,969 | (3,182) | - | 39,842,653 |
| Income Statement Charges | 14,774,911 | 11,471,790 | 8,757,337 | 8,880,547 | - | - | 43,884,585 |
| Difference | (3,865,488) | (76,245) | (110,439) | 13,422 | (3,182) | - | (4,041,932) |
| Other Balance Sheet Charges | (1,770,897) | (776,646) | (1,902,020) | (2,015,363) | (1,360,287) | (1,222,803) | (9,048,016) |
| Total Balance Sheet Charges | \$ 41,661,109 | \$ 33,591,682 | \$ 29,671,079 | \$ 26,538,271 | \$ 18,947,479 | \$ 11,011,778 | \$ 161,421,398 |
| Funding - PPLP to PPTI | 39,100,000 | 37,326,944 | 30,145,000 | 16,550,000 | 20,000,000 | 13,000,000 | 156,121,944 |
| Difference - Funding vs. Balance Sheet Charges | \$ 2,561,109 | \$ (3,735,262) | \$ (473,921) | \$ 9,988,271 | \$ (1,052,521) | \$ (1,988,222) | \$ 5,299,454 |

¹PPLP charges PPTI for various costs related to labor, benefits, travel & entertainment, fleet, intercompany interest, etc. Charges for these other items represent the remaining portion of the activity in account 102409 for SAP company code 208. PPTI similarly charges PPLP for 3rd party purchasing services. Per discussions with Purdue and TXP, no formal agreements exist for these arrangements. For more information on 3rd party purchasing services and other service charges, please see Exhibits 1D and 1P.

Exhibit 1C: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for internal audit, security, and environmental, health & safety services

Intercompany analyses of account 102409 (Intercompany account – PPTI) in PPLP’s accounting records (SAP company code 208) were only created for years 2012 to 2017. Based on discussions with Purdue and TXP, creating similar analyses for other years would be burdensome and very time consuming.

Alternatively, a comparison of all debits versus credits in the intercompany account between PPLP and PPTI since 2008, in conjunction with the conclusions from the previous slide, indicates that all intercompany activity was ultimately settled in cash since the ending balance as of September 15, 2019 is \$42,482.

| Account 102409 Company 208 | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------------|--|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|------------|
| Prior Year Cumulative Balance | | \$ (211,005) | \$ (2,210,437) | \$ (3,541,336) | \$ (6,587,449) | \$ (983,661) | \$ (11,983,484) | \$ (8,414,176) | \$ (7,940,255) | \$ (17,928,526) | \$ (16,876,005) | \$ (15,067,328) | \$ 614,270 |
| Debits | | 24,682,596 | 24,998,987 | 29,644,606 | 43,398,128 | 42,996,919 | 48,200,557 | 36,984,290 | 28,930,723 | 23,007,403 | 15,801,645 | 16,054,326 | 288,643 |
| Credits | | (26,682,027) | (26,329,886) | (32,690,719) | (37,794,340) | (53,996,742) | (44,631,249) | (36,510,369) | (38,918,995) | (21,954,881) | (13,992,968) | (372,728) | (860,431) |
| Ending Cumulative Balance | | \$ (2,210,437) | \$ (3,541,336) | \$ (6,587,449) | \$ (983,661) | \$ (11,983,484) | \$ (8,414,176) | \$ (7,940,255) | \$ (17,928,526) | \$ (16,876,005) | \$ (15,067,328) | \$ 614,270 | \$ 42,482 |

Exhibit 1D: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for finished products from 3rd parties

On January 1, 2008, Purdue entered into a purchasing services agreement with PPTI, the service provider.

PURCHASING SERVICES AGREEMENT

This Purchasing Services Agreement (the "Agreement") effective as of January 1, 2008 by and between Purdue Products L.P., a Delaware limited partnership ("PPLP"), and Purdue Pharma Technologies Inc., a Delaware corporation ("PPTI"),

WITNESSETH:

WHEREAS, PPTI is engaged in the purchasing services business; and

WHEREAS, PPLP wishes to engage PPTI to perform purchasing services in support of PPLP's business;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements hereinafter contained, the parties hereto agree as follows:

Exhibit 1D: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for finished products from 3rd parties

Pursuant to this purchasing servicing agreement, Purdue agreed to pay costs and expenses incurred by PPTI plus a service charge of [REDACTED].

4. Invoices and Payment.

(a) Within thirty (30) days of the last day of each calendar quarter ending on the last day of each March, June, September and December (each a "Calendar Quarter"),

PPTI shall submit to PPLP an invoice summarizing the costs and expenses incurred by PPTI in providing its services hereunder during such Calendar Quarter and containing a service charge in the amount of [REDACTED] of such costs and expenses.

(b) Unless otherwise agreed, within thirty (30) days of receipt of PPTI's invoice pursuant to Section 4(a) above, PPLP shall pay the amount invoiced by PPTI for its services hereunder.

Exhibit 1D: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for finished products from 3rd parties

Since January 1, 2008, Purdue was charged \$182.1 million by PPTI (costs plus a [REDACTED] markup of [REDACTED]) pursuant to the purchasing services agreement. Per discussions with Purdue and TXP, purchasing services ended in 2017.

| Year | Charges for Purchasing Services |
|--------------|---------------------------------|
| 2008 | \$ 5,760,344 |
| 2009 | 11,802,711 |
| 2010 | 11,092,517 |
| 2011 | 15,467,233 |
| 2012 | 32,866,635 |
| 2013 | 26,307,510 |
| 2014 | 24,181,836 |
| 2015 | 20,311,089 |
| 2016 | 21,279,185 |
| 2017 | 13,055,169 |
| Total | \$ 182,124,228 |

Exhibit 1D: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for finished products from 3rd parties

Amounts for purchasing services charged to Purdue by PPTI (SAP company code 409) to G/L account 404010 (Sales – External Finished Goods) represent “sweep” entries processed by SAP (2008 and 2017 shown below). These sweep entries automatically recognize sales and cost of goods sold related to 3rd party purchases and allocate them to specific companies, including PPTI.

| G/L Account Line Item Display | | | | | | | | | | | | | |
|---|------------|--------------|------------|--------|------------|------|----------|-----------|---------|------------|---|----------------------|-------|
| G/L Account: 404010 Sales Finished Goods External | | | | | | | | | | | | | |
| Company Code: 409 | | | | | | | | | | | | | |
| CdCd | DocumentNo | Posting Date | Doc. Date | Period | Year/month | Type | Cost Ctr | Reference | Account | Profit Ctr | Ext | Amount in local cur. | Order |
| 409 | 100002325 | 31.08.2008 | 02.09.2008 | 8 | 2008/08 | 20 | | XXX | 404010 | DLD | F output to Mfg Mfg Sweep Entry 08 2008 | 43,851.90- USD | |
| 409 | 100002326 | 31.08.2008 | 02.09.2008 | 8 | 2008/08 | 20 | | XXX | 404010 | DLD | F output to Mfg Mfg Sweep Entry 08 2008 | 1,729,545.40- USD | |
| 409 | 100002335 | 31.08.2008 | 02.09.2008 | 8 | 2008/08 | 20 | | XXX | 404010 | DLD | CONTRACT SWEEP FOR JUNE - JULY-08 DLD ISSUE | 179,213.11- USD | |
| 409 | 100002457 | 30.09.2008 | 03.10.2008 | 9 | 2008/09 | 20 | | XXX | 404010 | DLD | F output to Mfg Mfg Sweep Entry 09 2008 | 1,340,716.99- USD | |
| 409 | 100002717 | 31.10.2008 | 05.11.2008 | 10 | 2008/10 | 20 | | XXX | 404010 | DLD | F output to Mfg Mfg Sweep Entry 10 2008 | 1,887,725.52- USD | |
| 409 | 100002768 | 30.11.2008 | 01.12.2008 | 11 | 2008/11 | 20 | | XXX | 404010 | DLD | F output to Mfg Mfg Sweep Entry 11 2008 | 3,272.00- USD | |
| 409 | 100002990 | 31.12.2008 | 07.01.2009 | 12 | 2008/12 | 20 | | XXX | 404010 | DLD | F output to Mfg Mfg Sweep Entry 12 2008 | 583,312.00- USD | |
| * | | | | | | | | | | | | 5,760,343.85- USD | |

| G/L Account Line Item Display | | | | | | | | | | | | | |
|---|------------|--------------|------------|--------|------------|------|----------|-----------|---------|------------|--|----------------------|-------|
| G/L Account: 404010 Sales Finished Goods External | | | | | | | | | | | | | |
| Company Code: 409 | | | | | | | | | | | | | |
| CdCd | DocumentNo | Posting Date | Doc. Date | Period | Year/month | Type | Cost Ctr | Reference | Account | Profit Ctr | Ext | Amount in local cur. | Order |
| 409 | 100011103 | 31.01.2017 | 01.02.2017 | 1 | 2017/01 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 01 2017 | 334,997.47- USD | |
| 409 | 100011105 | 31.01.2017 | 01.02.2017 | 1 | 2017/01 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 01 2017 | 288,180.65- USD | |
| 409 | 100011106 | 31.01.2017 | 01.02.2017 | 1 | 2017/01 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 01 2017 | 1,729,545.40- USD | |
| 409 | 100011103 | 31.01.2017 | 01.02.2017 | 1 | 2017/01 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 01 2017 | 210,742.97- USD | |
| 409 | 100011105 | 31.01.2017 | 01.02.2017 | 1 | 2017/01 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 01 2017 | 180,742.72- USD | |
| 409 | 100011106 | 31.01.2017 | 01.02.2017 | 1 | 2017/01 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 01 2017 | 1,729,545.40- USD | |
| 409 | 100011128 | 28.02.2017 | 01.03.2017 | 2 | 2017/02 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 02 2017 | 100,870.84- USD | |
| 409 | 100011128 | 28.02.2017 | 01.03.2017 | 2 | 2017/02 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 02 2017 | 1,088,184.20- USD | |
| 409 | 100011128 | 28.02.2017 | 01.03.2017 | 2 | 2017/02 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 02 2017 | 98,467.84- USD | |
| 409 | 100011128 | 28.02.2017 | 01.03.2017 | 2 | 2017/02 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 02 2017 | 700,167.18- USD | |
| 409 | 100011128 | 28.02.2017 | 01.03.2017 | 2 | 2017/02 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 02 2017 | 161,374.48- USD | |
| 409 | 100011135 | 31.03.2017 | 01.04.2017 | 3 | 2017/03 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 03 2017 | 482,989.91- USD | |
| 409 | 100011135 | 31.03.2017 | 01.04.2017 | 3 | 2017/03 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 03 2017 | 112,361.04- USD | |
| 409 | 100011135 | 31.03.2017 | 01.04.2017 | 3 | 2017/03 | 20 | | XXX | 404010 | SEN | External: COGS (Ext TFI) Mfg Sweep Entry 03 2017 | 491,689.02- USD | |
| 409 | 100011174 | 30.04.2017 | 01.05.2017 | 4 | 2017/04 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 04 2017 | 98,377.65- USD | |
| 409 | 100011174 | 30.04.2017 | 01.05.2017 | 4 | 2017/04 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 04 2017 | 675,063.30- USD | |
| 409 | 100011174 | 30.04.2017 | 01.05.2017 | 4 | 2017/04 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 04 2017 | 238,549.68- USD | |
| 409 | 100011174 | 30.04.2017 | 01.05.2017 | 4 | 2017/04 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 04 2017 | 101,757.25- USD | |
| 409 | 100011188 | 31.05.2017 | 01.06.2017 | 5 | 2017/05 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 05 2017 | 100,944.00- USD | |
| 409 | 100011188 | 31.05.2017 | 01.06.2017 | 5 | 2017/05 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 05 2017 | 113,813.81- USD | |
| 409 | 100011188 | 31.05.2017 | 01.06.2017 | 5 | 2017/05 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 05 2017 | 228,494.50- USD | |
| 409 | 100011188 | 31.05.2017 | 01.06.2017 | 5 | 2017/05 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 05 2017 | 1,188,780.64- USD | |
| 409 | 100011210 | 30.06.2017 | 01.07.2017 | 6 | 2017/06 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 06 2017 | 214,300.41- USD | |
| 409 | 100012200 | 30.06.2017 | 01.07.2017 | 6 | 2017/06 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 06 2017 | 139,389.23- USD | |
| 409 | 100012200 | 30.06.2017 | 01.07.2017 | 6 | 2017/06 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 06 2017 | 414,184.36- USD | |
| 409 | 100012322 | 31.07.2017 | 01.08.2017 | 7 | 2017/07 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 07 2017 | 13,779.57- USD | |
| 409 | 100012322 | 31.07.2017 | 01.08.2017 | 7 | 2017/07 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 07 2017 | 499,103.20- USD | |
| 409 | 100012449 | 31.08.2017 | 01.09.2017 | 8 | 2017/08 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 08 2017 | 123,861.31- USD | |
| 409 | 100013360 | 30.11.2017 | 01.12.2017 | 11 | 2017/11 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 11 2017 | 24,999.04- USD | |
| 409 | 100013363 | 31.12.2017 | 01.01.2018 | 12 | 2017/12 | 20 | | XXX | 404010 | SEN | F output to Mfg Mfg Sweep Entry 12 2017 | 259,250.94- USD | |
| * | | | | | | | | | | | | 13,855,169.84- USD | |

Exhibit 1D: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for finished products from 3rd parties

Per discussions with Purdue and TXP, amounts charged for purchasing services were not settled on a regular basis between PPTI and PPLP; rather, PPLP would fund the balance in account 102409 (Intercompany Account – PPTI) on an ad hoc basis.

The 2015 PPTI intercompany analysis is illustrated below with relevant cells highlighted, including the ad hoc cash payments used to fund intercompany activities. The beginning and ending balances reconcile to the intercompany SAP balances on slide 88.

PP Tech Intercompany Analysis
As of December 31, 2015

| Description | 109 | 208 | 213 | 219 | 240 | 241 | 307 | 313 | 318 | Total |
|--|-----------|--------------|-----|-------------|-----|-------------|--------------|-------------|-----------|--------------|
| Beginning Balance | - | (7,940,255) | - | - | - | - | - | - | - | (7,940,255) |
| Fundings | - | 16,550,000 | - | - | - | - | - | - | - | 16,550,000 |
| Reconciliation Posting CO | (465,125) | (6,000,769) | - | (1,707,224) | - | - | - | - | (155,946) | (8,329,063) |
| Inventory Sweep Entry (Note 1) | - | - | - | - | - | (6,119,334) | (10,430,484) | (3,761,270) | - | (20,311,089) |
| Third Party Manufacturing (Note 3) | - | - | - | - | - | (380,689) | (342,076) | (791,373) | - | (1,514,139) |
| Purchase Price Variance (Note 4) | - | - | - | - | - | (12,172) | 1,857,664 | 761 | - | 1,846,253 |
| Contract Overhead (Note 5) | - | - | - | - | - | - | 505,645 | 829,218 | - | 1,334,863 |
| Commission | - | - | - | - | - | (811,985) | (203,568) | - | - | (1,015,553) |
| Benefits (Note 2) | 4,458 | 1,165,273 | - | 7,895 | - | - | - | - | - | 1,177,626 |
| Fleet Costs | - | 101,724 | - | - | - | - | - | - | - | 101,724 |
| Internal Audit Charge including markup | - | (564,906) | - | - | - | - | - | - | - | (564,906) |
| Expensite | - | 194,221 | - | - | - | - | - | - | - | 194,221 |
| Comdata Payments | - | 738,684 | - | - | - | - | - | - | - | 738,684 |
| Intercompany Interest | (776) | (134,445) | - | (3,539) | - | (14,060) | (15,248) | (8,294) | (279) | (176,640) |
| Other | (6,791) | (20,177) | - | (31,611) | - | - | 189 | 12,115 | 26,023 | (20,251) |
| LCD Entry | 468,234 | (22,017,876) | - | 1,734,478 | - | 7,338,241 | 8,627,879 | 3,718,843 | 130,201 | 0 |
| Ending Balance | - | (17,928,526) | - | - | - | - | - | - | - | (17,928,526) |

Note 1 - represents the cost plus 10% markup of EHS and security services provided by PP Tech to various entities. See Attachment 1.

Note 2 - represents charges for CIGNA, Anthem, Medco, United Healthcare, 401k, etc. charges that are provided to employees of PP Tech and paid for by PPLP.

Note 3 - represents amounts due to PP Tech relating to inventory that is procured by PP Tech and then sold to companies 241, 307 and 313 "distribution companies" which are the companies which sell Purdue products. See Attachment 2.

Note 4 - represents 3rd party manufacturing related work commissioned by PP Tech on behalf of the distribution companies, including brokerage commission and commission expense.

Note 5 - PPV relates to inventoried materials (raw, packaging, finished). PPV is the difference between our standard cost (USC) vs. the actual cost. Because the relationship between Purdue and contract manufacturers is conducted under company 409 all costs are moved out of company 409 to the distributing company at month end and assessed a 5% brokerage commission.

¹ The Purdue entities receiving finished products from PPTI are Purdue Transdermal Technologies L.P. (SAP company code 241), Purdue Products L.P. (SAP company code 307; now known as Avrio Health L.P.), and Purdue Pharmaceutical Products L.P. (SAP company code 313).

Exhibit 1D: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for finished products from 3rd parties

The table below illustrates that for the years 2012 through 2017 (the years for which the intercompany reconciliation analysis was performed for E&Y):

- 1) Income statement charges roughly approximate balance sheet charges with annual variances due to timing differences; and
- 2) The difference between the balance sheet charges (\$156 million) and the ad hoc funding (\$161 million) is only \$5 million at the end of 2017, indicating that Purdue was making regular cash payments to satisfy the intercompany charges.

| Description | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Cumulative Total: 2012 - 2017 |
|---|----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------------|
| 3rd Party Purchasing: | | | | | | | |
| Balance Sheet Charges | \$ 32,522,583 | \$ 22,972,784 | \$ 22,926,201 | \$ 19,659,665 | \$ 20,310,947 | \$ 12,234,581 | \$ 130,626,761 |
| Income Statement Charges | 32,866,635 | 26,307,510 | 24,181,836 | 20,311,089 | 21,279,185 | 13,055,169 | 138,001,424 |
| Difference | (344,052) | (3,334,726) | (1,255,635) | (651,424) | (968,238) | (820,588) | (7,374,663) |
| Internal Audit, EHS, Security Services | | | | | | | |
| Balance Sheet Charges | 10,909,423 | 11,395,545 | 8,646,898 | 8,893,969 | (3,182) | - | 39,842,653 |
| Income Statement Charges | 14,774,911 | 11,471,790 | 8,757,337 | 8,880,547 | - | - | 43,884,585 |
| Difference | (3,865,488) | (76,245) | (110,439) | 13,422 | (3,182) | - | (4,041,932) |
| Other Balance Sheet Charges | | | | | | | |
| | (1,770,897) | (776,646) | (1,902,020) | (2,015,363) | (1,360,287) | (1,222,803) | (9,048,016) |
| Total Balance Sheet Charges | \$ 41,661,109 | \$ 33,591,682 | \$ 29,671,079 | \$ 26,538,271 | \$ 18,947,479 | \$ 11,011,778 | \$ 161,421,398 |
| Funding - PPLP to PPTI | 39,100,000 | 37,326,944 | 30,145,000 | 16,550,000 | 20,000,000 | 13,000,000 | 156,121,944 |
| Difference - Funding vs. Balance Sheet Charges | \$ 2,561,109 | \$ (3,735,262) | \$ (473,921) | \$ 9,988,271 | \$ (1,052,521) | \$ (1,988,222) | \$ 5,299,454 |

¹PPLP, in the ordinary course of business, charges PPTI for various costs related to labor, benefits, travel & entertainment, fleet, intercompany interest, etc. Charges for these other items represent the remaining portion of the activity in account 102409 for SAP company code 208. Per discussions with Purdue and TXP, no formal agreements exist for these arrangements. PPTI similarly charges PPLP for internal audit, security, and EHS. For more information on internal audit, security, and EHS and other service charges, please see Exhibits 1C and 1P.

Exhibit 1D: Intercompany transfers between Purdue and Purdue Pharma Technologies Inc. for finished products from 3rd parties

Intercompany analyses of account 102409 (Intercompany account – PPTI) in PPLP’s accounting records (SAP company code 208) were only created for years 2012 to 2017. Based on discussions with Purdue and TXP, creating similar analyses for other years would be burdensome and very time consuming.

Alternatively, a comparison of all debits versus credits in the intercompany account between PPLP and PPTI since 2008, in conjunction with the conclusions from the previous slide, indicates that all intercompany activity was ultimately settled in cash since the ending balance as of September 15, 2019 is \$42,482.

| Account 102409 Company 208 | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------------|--|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|------------|
| Prior Year Cumulative Balance | | \$ (211,005) | \$ (2,210,437) | \$ (3,541,336) | \$ (6,587,449) | \$ (983,661) | \$ (11,983,484) | \$ (8,414,176) | \$ (7,940,255) | \$ (17,928,526) | \$ (16,876,005) | \$ (15,067,328) | \$ 614,270 |
| Debits | | 24,682,596 | 24,998,987 | 29,644,606 | 43,398,128 | 42,996,919 | 48,200,557 | 36,984,290 | 28,930,723 | 23,007,403 | 15,801,645 | 16,054,326 | 288,643 |
| Credits | | (26,682,027) | (26,329,886) | (32,690,719) | (37,794,340) | (53,996,742) | (44,631,249) | (36,510,369) | (38,918,995) | (21,954,881) | (13,992,968) | (372,728) | (860,431) |
| Ending Cumulative Balance | | \$ (2,210,437) | \$ (3,541,336) | \$ (6,587,449) | \$ (983,661) | \$ (11,983,484) | \$ (8,414,176) | \$ (7,940,255) | \$ (17,928,526) | \$ (16,876,005) | \$ (15,067,328) | \$ 614,270 | \$ 42,482 |

Exhibit 1E: Intercompany transfers between Purdue and The P.F. Laboratories Inc. for contract manufacturing organization services

On January 1, 1996, Purdue entered into a contract manufacturing agreement with The P.F. Laboratories Inc. ("P.F. Labs."), the manufacturer, to manufacture MS Contin as listed in Exhibit A to the agreement.

CONTRACT MANUFACTURING AGREEMENT

Contract Manufacturing Agreement dated as of
January 1, 1996 by and between THE P.F. LABORATORIES, INC.,
a New Jersey corporation ("Manufacturer"), and PURDUE PHARMA
L.P., a Delaware limited partnership ("Purchaser"),

W I T N E S S E T H :

WHEREAS, Purchaser has the rights to produce and
sell certain pharmaceutical products and preparations listed
on Exhibit A hereto, as the same may be amended from time to
time (collectively, the "Preparations"); and

Exhibit 1E: Intercompany transfers between Purdue and The P.F. Laboratories Inc. for contract manufacturing organization services

Pursuant to the manufacturing agreement, Purdue agreed to pay P.F. Labs: i) material costs, ii) all other costs (hereinafter "manufacturing costs" for items i) and ii), and iii) 10% of said costs as a sales commission.

5. Price.

- (a) During the term of this Agreement, Manufacturer's base price per unit of each Preparation (the "Base Price") to Purchaser shall consist of
- (i) Manufacturer's estimated direct costs for raw materials and packaging materials calculated on a standard cost system basis ("Material Costs"), plus (ii) all other estimated direct and indirect costs, including shipping and overhead costs, estimated to be incurred by Manufacturer with respect to the Manufacture of each Preparation ("Other Costs"), plus (iii) an amount equal to 10% of the sum of clauses (i) and (ii) of this Section 5(a).

6. Invoicing and Payment. Manufacturer shall periodically, but not more frequently than monthly, submit to Purchaser an invoice for the Preparations Manufactured by Manufacturer for Purchaser, and each invoice shall be prepared in accordance with the procedures set forth in Section 5 above. Purchaser shall pay, against Manufacturer's invoice therefor, the invoiced amount for such Preparation in accordance with Manufacturer's normal terms.

Exhibit 1E: Intercompany transfers between Purdue and The P.F. Laboratories Inc. for contract manufacturing organization services

From 2008 to 2014, Purdue was charged \$17 million for manufacturing costs and \$1.7 million in markups, totaling \$18.7 million. Per discussions with Purdue, manufacturing ceased in 2014 because the manufacturing facility was sold in 2015.

| Year | Manufacturing Costs | | Service Commissions | Total | Markups as % of Manufacturing Costs |
|--------------|---------------------|-------------------|---------------------|----------------------|-------------------------------------|
| 2008 | \$ | 10,021,395 | \$ 1,002,139 | \$ 11,023,534 | 10% |
| 2009 | | 4,221,947 | 422,197 | 4,644,144 | 10% |
| 2010 | | 1,222,995 | 122,300 | 1,345,295 | 10% |
| 2011 | | 666,280 | 66,628 | 732,908 | 10% |
| 2012 | | 381,294 | 38,129 | 419,424 | 10% |
| 2013 | | 217,444 | 21,744 | 239,188 | 10% |
| 2014 | | 277,690 | 27,769 | 305,459 | 10% |
| Total | \$ | 17,009,044 | \$ 1,700,907 | \$ 18,709,951 | 10% |

Exhibit 1E: Intercompany transfers between Purdue and The P.F. Laboratories Inc. for contract manufacturing organization services

According to P.F. Labs's accounting records in SAP, P.F. Labs (SAP company code 109) incurred \$17 million in manufacturing costs from 2008 to 2014 related to Purdue through G/L account 404000 (Gross Sales – Manufacturing).

| G/L Account Company Code | | 404000 109 | | Gross Sales - Manufacturing | | | | | | |
|-------------------------------------|------------|---------------|--------|-----------------------------|------|---------|------------|---|----------------------|-------|
| DocumentNo | Estng Date | Doc. Date | Period | Year/month | Type | Account | Profit Ctr | Text | Amount in local cur. | LCurr |
| <input type="checkbox"/> 100006879 | 31.01.2009 | 09.02.2009 | 1 | 2009/01 | ZG | 404000 | UNI | F output to Mfg Mfg Sweep Entry 01 2009 | 103.405,10- | USD |
| <input type="checkbox"/> 100007060 | 28.02.2009 | 02.03.2009 | 2 | 2009/02 | ZG | 404000 | MSG | F output to Mfg Mfg Sweep Entry 02 2009 | 1.057.103,88- | USD |
| <input type="checkbox"/> 100007269 | 31.03.2009 | 02.04.2009 | 3 | 2009/03 | ZG | 404000 | MSG | F output to Mfg Mfg Sweep Entry 03 2009 | 923.564,00- | USD |
| <input type="checkbox"/> 100007269 | 31.03.2009 | 02.04.2009 | 3 | 2009/03 | ZG | 404000 | OXI | F output to Mfg Mfg Sweep Entry 03 2009 | 162.909,98- | USD |
| <input type="checkbox"/> 100007494 | 30.04.2009 | 30.04.2009 | 4 | 2009/04 | ZG | 404000 | MSG | F output to Mfg Mfg Sweep Entry 04 2009 | 512.778,30- | USD |
| <input type="checkbox"/> 100007494 | 30.04.2009 | 30.04.2009 | 4 | 2009/04 | ZG | 404000 | OXI | F output to Mfg Mfg Sweep Entry 04 2009 | 220.075,77- | USD |
| <input type="checkbox"/> 100007704 | 31.05.2009 | 31.05.2009 | 5 | 2009/05 | ZG | 404000 | OXI | F output to Mfg Mfg Sweep Entry 05 2009 | 111.904,71- | USD |
| <input type="checkbox"/> 100007704 | 31.05.2009 | 31.05.2009 | 5 | 2009/05 | ZG | 404000 | OXY | F output to Mfg Mfg Sweep Entry 05 2009 | 320.514,56- | USD |
| <input type="checkbox"/> 100007876 | 30.06.2009 | 30.06.2009 | 6 | 2009/06 | ZG | 404000 | OXI | F output to Mfg Mfg Sweep Entry 06 2009 | 114.458,18- | USD |
| <input type="checkbox"/> 100007876 | 30.06.2009 | 30.06.2009 | 6 | 2009/06 | ZG | 404000 | UNI | F output to Mfg Mfg Sweep Entry 06 2009 | 55.596,49- | USD |
| <input type="checkbox"/> 100008122 | 31.08.2009 | 31.08.2009 | 8 | 2009/08 | ZG | 404000 | OXI | F output to Mfg Mfg Sweep Entry 08 2009 | 205.911,02- | USD |
| <input type="checkbox"/> 100008990 | 30.09.2010 | 30.09.2010 | 9 | 2010/09 | ZG | 404000 | ORF | F output to Mfg Mfg Sweep Entry 09 2010 | 169.679,80- | USD |
| <input type="checkbox"/> 100010042 | 31.10.2010 | 31.10.2010 | 10 | 2010/10 | ZG | 404000 | ORF | F output to Mfg Mfg Sweep Entry 10 2010 | 286.090,87- | USD |
| <input type="checkbox"/> 100011116 | 31.05.2011 | 31.05.2011 | 5 | 2011/05 | ZG | 404000 | ORF | F output to Mfg Mfg Sweep Entry 05 2011 | 936.904,35- | USD |
| <input type="checkbox"/> 100011912 | 31.12.2011 | 31.12.2011 | 12 | 2011/12 | ZG | 404000 | ORF | F output to Mfg Mfg Sweep Entry 12 2011 | 324.261,48- | USD |
| <input type="checkbox"/> 100012608 | 30.06.2012 | 30.06.2012 | 6 | 2012/06 | ZG | 404000 | ORF | F output to Mfg Mfg Sweep Entry 06 2012 | 342.018,67- | USD |
| <input type="checkbox"/> 100013027 | 31.10.2012 | 31.10.2012 | 10 | 2012/10 | ZG | 404000 | ORF | F output to Mfg Mfg Sweep Entry 10 2012 | 237.916,54- | USD |
| <input type="checkbox"/> 100013748 | 31.05.2013 | 31.05.2013 | 5 | 2013/05 | ZG | 404000 | ORF | F output to Mfg Mfg Sweep Entry 05 2013 | 143.377,60- | USD |
| <input type="checkbox"/> 100015097 | 30.09.2014 | 02.10.2014 | 9 | 2014/09 | ZG | 404000 | ORF | F output to Mfg Mfg Sweep Entry 09 2014 | 217.443,77- | USD |
| <input checked="" type="checkbox"/> | | | | | | | | | 277.689,56- | USD |
| | | | | | | | | | 17.009.044,10- | USD |

Note:

- The SAP screenshot does not include all entries – excerpt version shown.